Citizens 2024 Business Outlook Report: Insight Drives Success

A SURVEY OF U.S. BUSINESS LEADERS REVEALS THAT TOP PERFORMERS ARE CONSOLIDATING COMPANY DATA AND EXPERT ADVICE TO GAIN FINANCIAL CLARITY

CITIZENS BUSINESS BANKING

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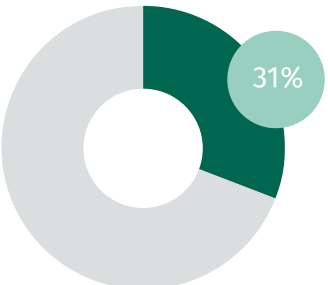
NEW RESEARCH SHOWS LINK BETWEEN BUSINESS INFORMATION AND PROSPERITY

Data from interviews with hundreds of small and midsized businesses reveals that "insight-driven" companies – the ones tapping into tools and expert advice at least weekly — expect to outpace other companies in 2024.[1] The Citizens Business Outlook Report, now in its third year, found that 87% of these companies anticipate fast expansion this year and 72% have growth-focused five-year plans.

THE EDGE BUSINESS INSIGHT PROVIDES

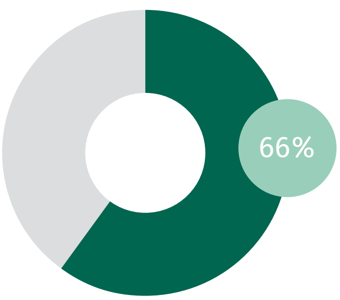
Financial tools and expert advice help companies grow faster and manage cash better. Insight-driven businesses will outpace other companies with:

Double-digit growth



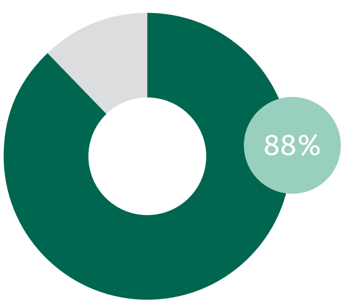
Twice as many insight-driven companies had double-digit growth in 2023.

Increased revenue



Two-thirds of insight-driven companies expect to grow by 10% or more in 2024.

Better cash management



Close to four-in-five insight-driven businesses report having an "extremely or very good" understanding of company cash flow.

[1] An online survey of 600 principals (Owner, Founder, Partner, CEO, President, etc.) of U.S.-based businesses with up to $25 million in annual revenue, conducted from Feb. 2 through Feb. 12, 2024. Data from insight-driven companies in this report is from companies with >$500K in annual revenue.

5 WAYS FINANCIAL TOOLS AND EXPERT ADVICE FUEL COMPANY SUCCESS

Businesses in the survey using the most financial resources are growing quickly now, and 72% of business leaders expect double-digit growth in the next five years. Their top tactics for using financial tools and advice include:

1. Consolidating applications

64% of businesses that proactively pursue insight will also consolidate applications and tools from a variety of vendors into one platform. Why? To improve their view of companywide financial data that can lead to better decision-making.

2. Setting objectives to fuel success

Insight-driven companies are more focused on these critical business financial goals for 2024 than their peers:

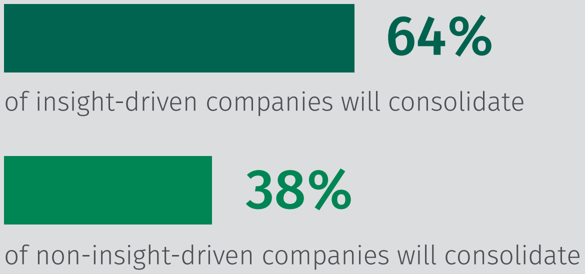
- Improving insight into and performance of company cash flow
- Making more informed business decisions
- Protecting company and customer data from business financial fraud

3. Protecting company and customer data from business financial fraud

Businesses are using the following tools to manage financial data security:

- Antivirus/cybersecurity software
- Digital peer-to-peer (P2P) payments from customers through Cash App, PayPal, Venmo, or Zelle
- Payments made with credit cards

Businesses relying heavily on tools and advice to attain fast growth are much more likely to consolidate them into one platform.



"When a company has a clear view of its financial status, it's easier to set goals and systematically take the right steps to reach them."

— Mark Valentino, Head of Business Banking

"Thriving businesses know they need tools for financial insight, data security, and timely payments. By combining these tools with financial advice from expert partners, these companies can make informed decisions that build business success."

— Manny Tocco, COO Business Banking

4. Using digital invoicing and payments

Close to 60% of businesses looking to get paid faster in 2024 are using payment and invoicing tools. Their top tools:

To get paid faster by clients/customers

- Digital peer-to-peer (P2P) payments from customers through Cash App, PayPal, Venmo, or Zelle and real-time payments (RTP) that transfer money instantly from one bank to another
- Credit or debit cards
- Automatic or recurring billing

To improve/increase customer payment options

- Credit or debit cards
- Digital peer-to-peer (P2P) payments from customers through Cash App, PayPal, Venmo or Zelle
- Online customer invoicing and digital payment acceptance software

5. Relying on expert advice

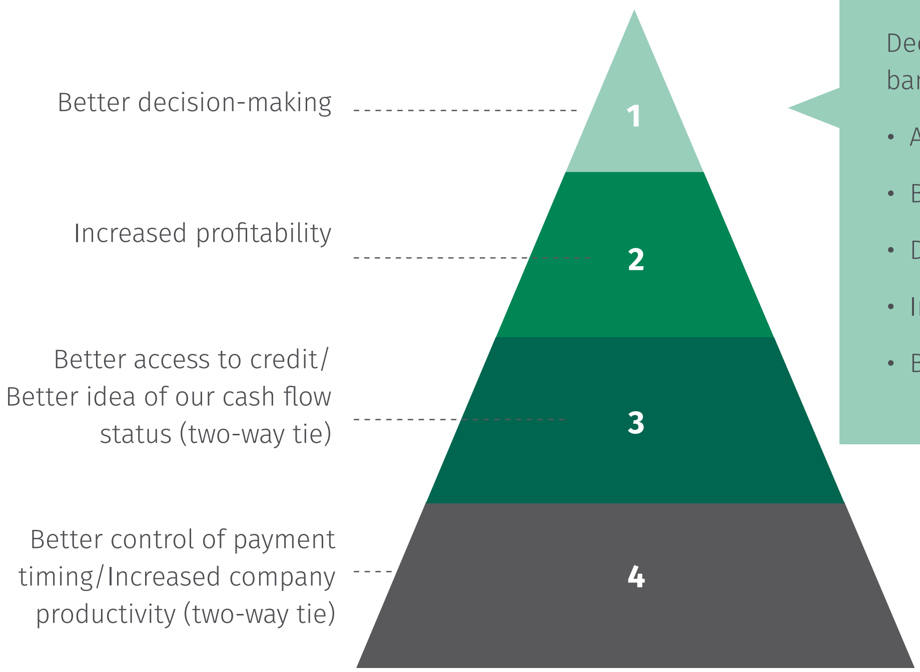
It's not just financial tools that help businesses get ahead. Insight-driven companies seek advice more than other companies. They turn to attorneys, business bankers, fintech providers, and CPAs for input on:

- Business planning
- Increasing revenue
- Legal and compliance considerations, debt management, and budgeting and expense control (three-way tie)
- Tax planning and financial reporting (two-way tie)
- Improving insight into company cash flow status

ADVICE IS KEY FOR BETTER DECISION-MAKING

The survey found that insight-driven business leaders lean heavily on counsel from attorneys, CPAs, and business bankers. Their top priorities for advice are business planning, how to increase revenue, and budgeting and expense control.

Insight-driven businesses seek counsel from these experts more than other companies and are significantly more likely to have a business banker. 83% of insight-driven companies have a dedicated business banker, compared with just 59% of other businesses. The research found that the benefits of this relationship are:



Decision-making help from business bankers is focused on:

- Applying for loans or other credit
- Business planning
- Debt management
- Improving cash flow status insight
- Budgeting and expense control

COMPANY LEADERS ALSO HAVE A SET OF GO-TO APPROACHES TO GET THE MOST FROM THIS RELATIONSHIP, INCLUDING:

1. Setting up regular meetings
2. Asking about business financial tools to increase access to company financial information
3. Actively pursuing advice/insight for business decision-making

"Even seasoned business leaders benefit from expert consultation. Companies that seek this support are confident in their decisions and ready to seize opportunities and tackle challenges."

— Jonathan Cooper, Head of Business Banking Revenue Growth and Enablement

ACTIONS TO CONSIDER

Lean on financial resources.

The survey reveals that increased reliance on the right financial tools improves business outcomes, including faster growth and better financial management. Consider financial management tools that can improve your ability to manage cash flow, quickly collect money that's owed, time payments, and protect company and customer data.

Consolidate your applications and tools.

Businesses anticipating the most rapid expansion in 2024 are consolidating applications and tools from a variety of vendors so that they are integrated into one platform. Consolidating financial applications and tools makes it easier to have a complete view of your company's financial situation and leads to more informed business decisions.

Use expert advice.

Better decision-making, a good sense of cash flow, increased profitability, and control of payment timing are just some of the benefits that survey respondents say they gain from expert counsel. The data shows that the most successful businesses actively seek advice from business bankers, attorneys and CPAs, regularly and frequently. The guidance they receive from these experts helps them gather insight, secure resources, and make decisions to reach their business objectives.

See how we can help your business reach its goals.

Talk with a Citizens Business Banker today

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