



Managing Cashflow

Cashflow management is the monitoring, surveillance, and active management of the actual money coming in and going out of your business. It's more than what you currently have in the bank, as it also considers the money you are owed by others, any unpaid debts, or scheduled payments you may have.

Additionally, it involves taking actions to maintain the financial health of your business, both now and in the future.

Cashflow management is important all year round, but at this time of the year with annual tax filing deadlines in mind, cashflow management is critical to all businesses. This can be a busy and potentially stressful time for many business owners, however effective financial forecasting, cashflow management, and early tax planning can help reduce and relieve the stress.

By managing cashflow effectively, you will be able to keep your business secure and profitable, while providing the opportunity to forecast investment opportunities, establish company spending and build up an emergency cash fund. Being prepared for all scenarios that may occur throughout the year for your business is vital.

AIB's Cashflow Solution for your Business: PromptPay Finance

Paying significant annual bills requires planning, and AIB's cashflow solution, PromptPay supports your company to conserve cash for expected and unexpected expenses. With PromptPay, your business can spread large one-off expenses, such as your annual tax bill or pension payments across six to 11 months.

To gain a better understanding of PromptPay, we posed a few questions to AIB's David Cotter, Business Advisor for Cork, on why he recommends PromptPay to his business customers.

Can you tell us a little bit about PromptPay?

PromptPay is an effective and cost-efficient way to help businesses and SME customers to spread large annual bills into manageable monthly repayments. By availing of the facility, it protects cashflow and provides certainty for our customers on repayments over an 11-month period. It also ensures customers can plan/budget for the year ahead without the added requirement to have significant cash reserves available to pay large annual bills in one payment. Essentially PromptPay is a game changer to SME's in managing their cashflow, providing certainty on repayments and is quick and easy to set-up.

Why do you recommend PromptPay to your customers?

PromptPay helps our customers in protecting cashflow and budgeting for their other offerings. It helps to ensure that they have a manageable monthly repayment at a fixed rate. It is especially beneficial to businesses who operate on a seasonal basis. The pressure on cashflow for these businesses can be quite evident, who without PromptPay, may see cash reserves quickly diminished due to paying out large one-off bills in a lump sum payment. PromptPay enables these one-off payments to be spread across six to eleven months.

What are the benefits of using PromptPay?

The majority of my customers that avail of PromptPay for the first time return to use the facility every year. PromptPay significantly reduces the strain on an SME's cashflow by allowing them to spread large annual bills into manageable monthly repayments. It provides customers with certainty on repayments and rates and allows them to manage their business with certainty throughout the year.

PromptPay is quick and easy to set-up and the ability to sign via DocuSign is a major plus for customers. We regularly get feedback on the how quick the turnaround is and how easy the draw down process has become. This has ensured our PromptPay facility has become one of our top products for SME customers.

AIB Business Banking Customer Cool Running Events speak on their experience managing cashflow with PromptPay



Cool Running Events is a family-owned event management company, which comprises of iceskating.ie and zipit.ie. Founded in 2007, the business creates unique experiences in Ireland and specialises in the production, management, and marketing of pop-up events. They are Ireland's largest Ice Rink operator, running events such as the Alpine Skate Trail, Ice-skating Blanchardstown, Dublin and Ice-skating Dun Laoghaire in Co. Dublin. In August 2021, Cool Runnings acquired Zipit Forest Adventures, Ireland's biggest high ropes course. With Zipit, the business operates centres in Farran Woods Cork, Tibbradden Dublin and Lough Key Forest Park Roscommon.

Running a family business involves many duties and responsibilities especially in the constantly changing environment we live in today, from managing daily tasks to managing finances. Effective cashflow management can aid family businesses in surviving, expanding, and passing on their legacy to the following generation.

AIB Business Advisor David Cotter first met Cool Running Events in the South Mall branch, Cork. At the time, they were an existing Ulster Bank customer, and were looking for a new financial institute following the announcement of Ulster Bank's exit from the market. David helped Cool Runnings manually set up their company accounts in advance of the Ulster Bank and AIB switch.

We spoke to David O'Donnell, Commercial Director at Cool Runnings about cashflow management and how they grew their family business throughout the years. One factor that has played a role in their business success is the fact that they were able to effectively manage their cashflow with the assistance of PromptPay. It was David Cotter who first introduced them to the product.

David told us how PromptPay is an invaluable way of obtaining working capital facilities in later summer/early autumn, when the business expenses for the winter season are ramping up before the events are open and cashflow is generating.

They used PromptPay for the first time in 2023 and plan to continue using it for their business as they see the positive impacts that come with it. When asked would he recommend PromptPay for other businesses, David didn't hesitate.

"Absolutely. It was a streamlined process, e-signing via DocuSign, a relatively cost-effective short-term facility and it didn't require a significant time investment to prepare the information needed. It is also flexible in terms of drawdown, allowing us to have the facility approved well in advance of when it may be needed and decide at short notice when to draw."

David Cotter added that Cool Running has already returned this year looking for PromptPay again. A key benefit is getting the facility approved in advance and allowing for peace of mind to know funds are sanctioned and available to drawdown when required.

We spoke to Head of AIB Finance & Leasing, **Brendan Crowley** about cashflow management.



"AIB Finance & Leasing remain committed to supporting the growth and expansion of businesses within the SME and Agricultural sectors. As well as offering our standard Hire Purchase and Leasing products, we understand businesses also have short-term working capital finance requirements and recognise how these significant one-off payments can negatively impact on the day-to-day cashflow. Our Working Capital Finance solutions of PromptPay and Insurance Premium Finance are short term finance products which enable businesses to finance significant annual payments easing cashflow pressures and are a key part of our product offering to many business customers".

Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.