

# The Cash Flow Revolution

Transforming the money conversation for entrepreneurs, freelancers and small business owners



# Foreword

By **Nicolette Maury**, CEO of Asto

Business banking and financial management for small businesses has remained largely untouched by the innovation in technology that we've seen in the last ten years.

With the introduction of the smart phone and mobile banking, we've seen a stepchange in personal finance – both in how we look after our money and how we talk about and understand it. Research abounds on the mental health impact of money on us as individuals. Everyone handles and manages money differently. Some are more confident about money; others find staying on top of money a struggle.

But what about business owners?

Our entrepreneurs and freelancers, family shop owners and sole traders?

The florists, PTs, creatives, plumbers and electricians?

No two businesses are the same – they all have their quirks – because they're run by individuals, each with their own style and way of working.

At Asto, we believe that no business should fail for lack of time, insight, or access to finance. Since launching in 2019, we've been working hard to create a platform that can benefit people

running their own business. From simple bookkeeping tools that help you stay on top of admin and see your cash flow in a simple glance showing what's coming in and out, to truly flexible digital financing products that can help business owners to fill cash flow gaps when required. We believe technology can empower the UK's small business community. It can help them solve short-term needs, free-up time, and take advantage of opportunities to invest in their growth and success.

It's the 2020s.

It's time for a revolution.

## “We believe that no business should fail for lack of time, insight, or access to finance”



# A nation of small businesses

Exploring the relationship between business owners and money in 2020

At the start of 2020, we decided to look into the attitudes and concerns of business owners and freelancers in the UK when it comes to managing their cash flow.

We were interested to see how new digital tools were being chosen, adopted, and used. We also wanted to know more about the impact of those tools in terms of their financial, personal and mental health.

We wanted to look at solutions – because the innovation seen in personal finance hasn't matched business banking and, according to our research, this is leading to a growing number of business owners feeling out of control, anxious, and frustrated about their cash flow.

In our Censuswide survey of 1000 small business owners and freelancers in the UK, we discovered that just a third [34%] feel in control of their money – business or personal. This means 66% do not feel like they are the ones in control of their finances.

Moreover, whilst only one in five [18%] claim to feel predominantly anxious or stressed about their personal finances, this rises to 60% when it comes to their business finances, with a further 28% reporting that they feel insecure and 36% that they feel frustrated.

Cash flow is amongst the biggest concerns for the self-employed. A quarter of our respondents [23%] are worried over how they keep a steady flow of work, one

in ten are concerned about late payments [11%], and just under that specifically identify cash flow as the biggest challenge facing their business [7%]. This goes up to nearly a third [31%] amongst business owners who are stressed about their finances.

With so many people reporting insecurities and stresses about managing their business finances and cash flow, we know something needs to change.

## So where's the revolution?

Where is the step-change in how people run their businesses and manage their money – the one that puts them in control?

Where is the call to action for more and better digital

tools that can truly help business owners and freelancers to keep their cash flow positive?

It's true that our relationship with money is rarely simple – and when it comes to running a small business, money can be truly complex.

After all, it's not just your own money you end up dealing with but that of your business, your employees, contractors and suppliers. And then there's the thornier problems like changes to tax and pensions, updated legislation, an ailing High Street, late payments and Brexit.

Add to the mix the global covid-19 pandemic and onset of economic recession, and it's no wonder that financial

confidence is low amongst those running businesses.

The fact is that we live and work in uncertain times.

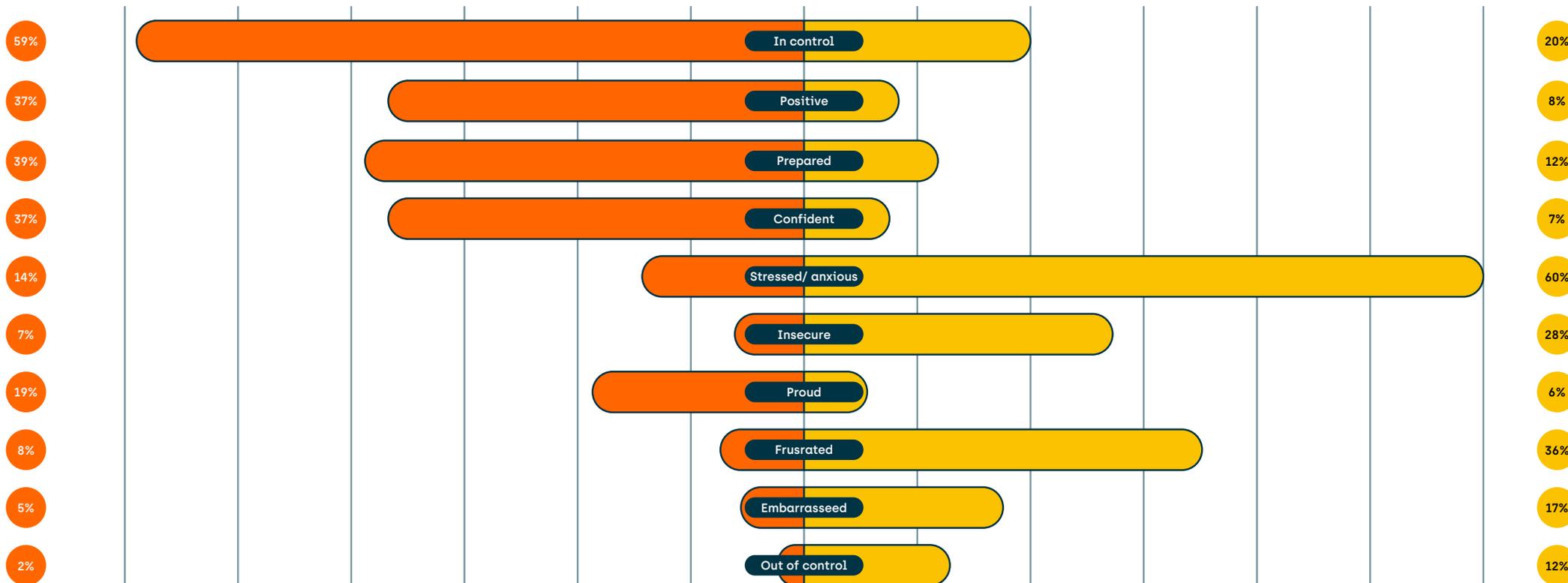
Having a sense of control over our money – particularly business cash flow – can define how people feel about running their business as well as impact their outlook on the future. And our research shows that when business owners feel like they have the right tools and technology to hand, it makes a huge difference to their sense of control.

# Money Confidence (Business vs Personal)

Our confidence with money impacts our approach to our business finances. We've analysed how differently business owners and freelancers feel about their money – and reveal how a sense of control in our personal finances correlates to the way people feel about their business finances.

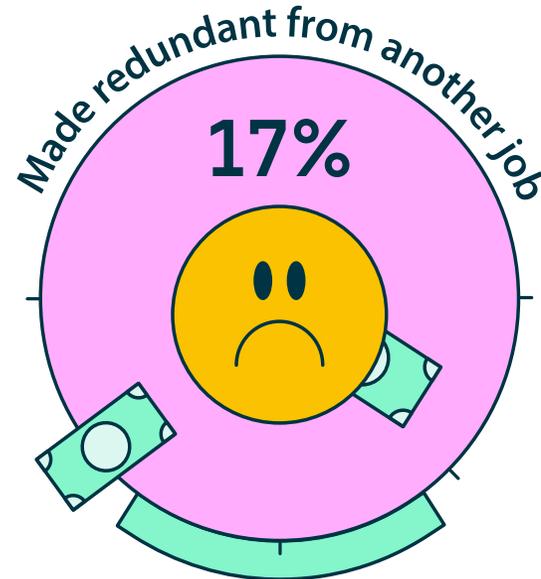
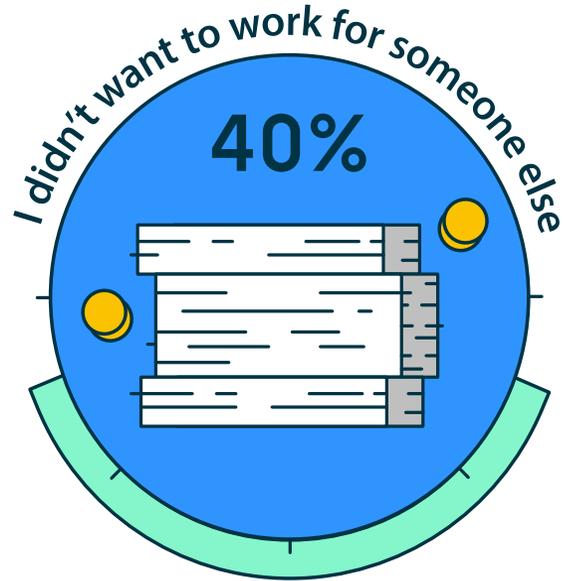
How people who feel 'In Control' of their personal finances [38% of business owners] feel about their business finances:

How people who feel 'Stressed/Anxious' about their personal finances [18% of business owners] feel about their business finances:



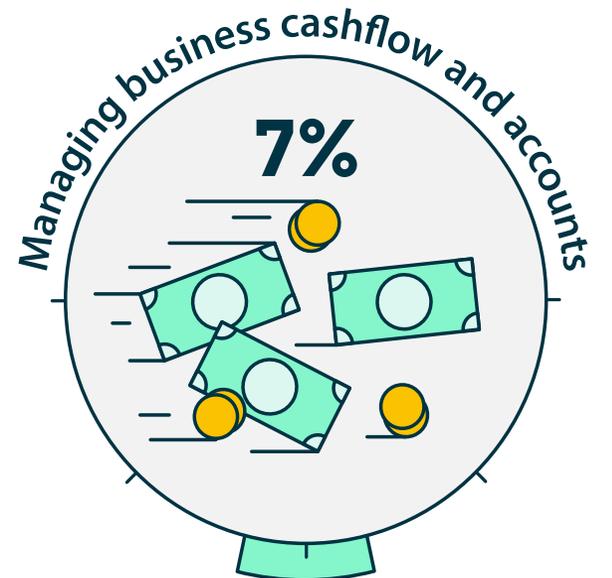
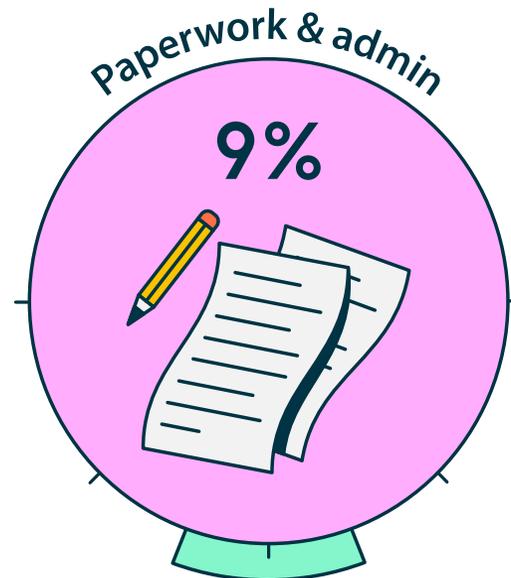
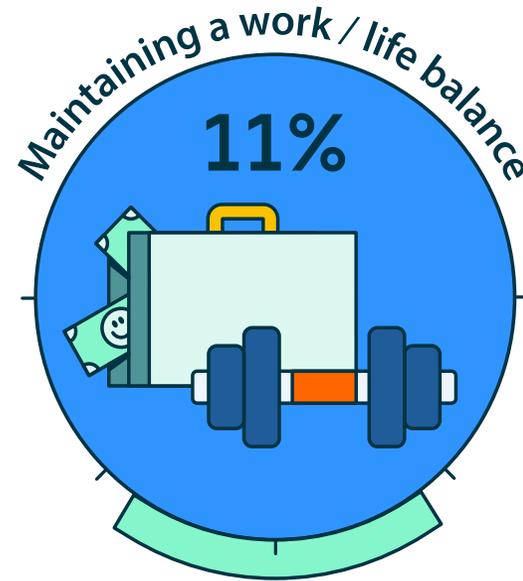
# Reasons For Starting A Business

Every business owner has their reasons for starting their business – whether it's a passion project that grew into a company, a desire to be their own boss, or because circumstances demanded they get creative. Here are the most frequently identified:



# Headaches

Running a business – whether it's a company or freelancing – also comes with a wide range of headaches. But the biggest concerns are those that relate to how business owners manage their money and time.



# Vive La Revolution

## Introducing the Money Mindsets

Taking a deep dive into the people behind the businesses, we've used a mix of quantitative and qualitative data to identify six core personalities.

These are **Asto's Money Mindsets** and they lay out the key types of business owner and freelancer in the UK.

They look at the reasons we start businesses – to be our own boss, to give back to a community, to solve a problem. They show how the way we manage our cash flow is dictated by our own personal approach to money more broadly: some of us are natural savers and find it easy to shore

up some of our income every month, while others find this more of a challenge. They identify why our biggest headaches exist and the causes of those concerns. They pinpoint why some prefer to take out loans and others to crowdfund or take a second job when in financial difficulty. And they highlight how digital tools and technology can genuinely help transform the way we confront challenges and work to achieve our goals.

Our intention with the **Asto Money Mindsets** is to guide and challenge you – as business owners – to think about how you approach your business,

how you manage your finances and how you identify the right tools, products and information you need to handle each and every business challenge.

We want to put you in control of your cash flow – and it starts by identifying your Mindset.



# The Money Mindsets



## Digital Collaborators

28% of business owners

Aspirational entrepreneurs who find talking about money and technology essential to running their businesses



## Conscious Grafters

13% of business owners

Confident, optimistic entrepreneurs who prioritise giving back to their community over growing profit margins



## Enterprising Rationalists

17% of business owners

Adaptive and independent thinkers motivated to run businesses to secure their financial futures



## Canny Pragmatists

31% of business owners

Calm and focused business owners who are prepared for the financial challenges ahead and have the tools to take them on



## Headstrong Traditionalists

40% of business owners

Resilient entrepreneurs who tackle financial challenges in return for an independent working life



## Bold Risk Takers

5% of business owners

Risk takers who are focused on business growth and making money, despite being burned by bad decisions

# The Money Mindsets

## Digital Collaborators

- Digital Collaborators are a growing group of entrepreneurs, comprised of the 28% who value talking to other business owners
- Digital Collaborators are tech confident - 70% use a mobile phone to organise their business, and 64% use cash flow or accountancy software to manage their business
- Digital Collaborators find maintaining regular clients/work streams harder than other groups, and chasing late payments is one of their biggest headaches

## Conscious Grafters

- Conscious Grafters are the 13% of business owners that started their business with the ambition to give back to their community
- Less than half of Conscious Grafters [44%] see turning a profit as a symbol of good financial health
- Conscious Grafters are more likely than any other group of business owners to look for solutions online, with 19%, but conversely are also the most likely to ignore issues in the hope that they'll go away, with 8% reporting this.

## Enterprising Rationalists

- Enterprising Rationalists are the 17% of accidental entrepreneurs who started businesses because they were made redundant
- Enterprising Rationalists tend to be older, only 14% of Proactive Problem Solvers are under-35 and less than 1% is under-24.
- Enterprising Rationalists are the most likely to feel in control of both their personal finances [44%] and business finances [38%].

## Canny Pragmatists

- Canny Pragmatists are the 31% of business owners that feel 'in control' of their business finances
- Canny Pragmatists have always been organised, with 41% starting their business using personal savings. They're also amongst the least likely to have just taken the leap
- Canny Pragmatists define good financial health as being in control of their business finances, and 51% say the tools they use to manage their finances make them feel this way

## Headstrong Traditionalists

- Headstrong Traditionalists are our largest group of entrepreneurs as they make up the 40% who wanted to be their own boss
- Headstrong Traditionalists are more likely to be female than male [47% vs 39%] and far more likely to be a sole trader or freelancer than to run a small business
- Headstrong Traditionalists are the most likely to use paper records and files to run their business [43%], with just 13% of these entrepreneurs using digital tools to manage their cash flow.

## Bold Risk Takers

- Bold Risk Takers define success as getting rich and make up just 5% of business owners
- More men than women are Bold Risk Takers [59% vs 41%]
- A quarter of Bold Risk Takers just took the leap when they got started – more than any other category
- Bold Risk Takers are amongst the most likely to ricochet between feeling optimistic and stressed, and as a group are the most likely to feel isolated [15%]

# Understanding Your Money Mindset

Who are the six types of entrepreneur or freelancer and where do you sit?

We might think money is just maths, but it's not, it's emotional.

Here's the thing: each and every one of us has a unique relationship with money and that applies to how we run our businesses too.

Being 'socially responsible' conjures up different things for different business heads. The concept of a 'healthy profit' changes from person to person, hey it can change year to year for some people.

From your comfort level with debt to how often you check your account balances, there are lots of ways our feelings about money affect how we do business.

Over the last few years, I've spoken to financial advisors, financial therapists and financial gurus. I've talked to CEOs, founders and bankers. I've had conversations about

money with every kind of financial expert, but do you know where I learnt the most? From conversations with my peers and from truly examining my own relationship with money.

Turns out, understanding your money - personal or professional - is more than making the maths add up. It's about how we think, behave and relate to our money. It's about why, on a personal level, buying a coffee on the way into work might make you feel confident; or, on a business level, why you may feel uncomfortable taking out a loan, or why you prefer to do your expenses manually because it lends you a feeling of control and satisfaction. Everyone has a different relationship with their money and their business - and it's about time this was recognised and spoken about.

The fact is there is no normal when it comes to managing finances - some people are careful planners, others enjoy a riskier ride, neither is right nor wrong. But understanding how your emotions and personality underpin the money decisions you make for your business is crucial to managing the ups and downs of your industry, especially in turbulent times where very few business owners feel secure.

So, how can you understand your emotions when it comes to your working finances?

Well, ultimately it comes down to asking yourself some searching and possibly awkward questions. Here, in this report Asto has brought together pertinent quantitative and qualitative research to pinpoint six different core business personalities. These are the people driving our economy

– the collaborators, the grafters, the rationalists, pragmatists, traditionalists and risk takers.

But which one are you? And why does it matter that you find out?

Well, like all good soul searching, digging down into why you run things the way you do is hugely beneficial especially if you need to adapt in this rapidly changing and increasingly challenging business landscape.

For instance, 18% of business owners felt stressed and anxious about their finances, but knowing your business mindset could mean getting ahead of yourself. It could help you identify your anxiety triggers, so you can anticipate those business decisions you find more difficult to handle and make a plan for how to work through them. It might help

“18% of business owners felt stressed and anxious about their finances”

you understand why you find chasing invoices awkward or why you're far more comfortable taking risks than staying safe.

Understanding how others think about money might help you work more collaboratively or even, dare we say it, out-think some competitors. Maybe you're a canny pragmatist, with your head down building your own empire - then imagine what you might learn from a bold risk taker or a digital collaborator. By working out your money mindset with Asto's report, you may expand what you think of as 'good business'.

So whether you sit squarely in one of the core business personalities or your money mindset straddles a couple - either way this report aims to help you understand yourself better and to find the right process, mindset

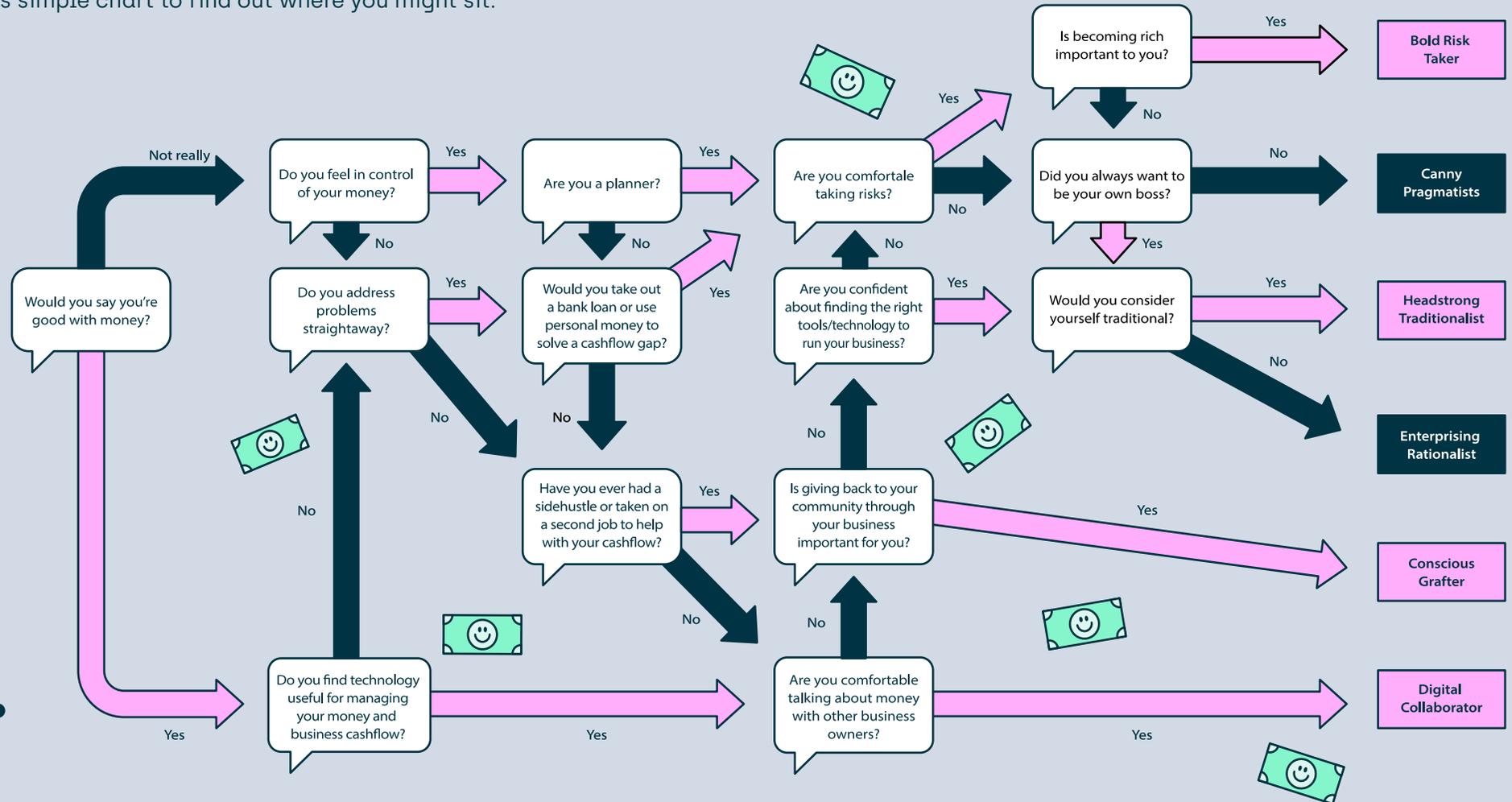
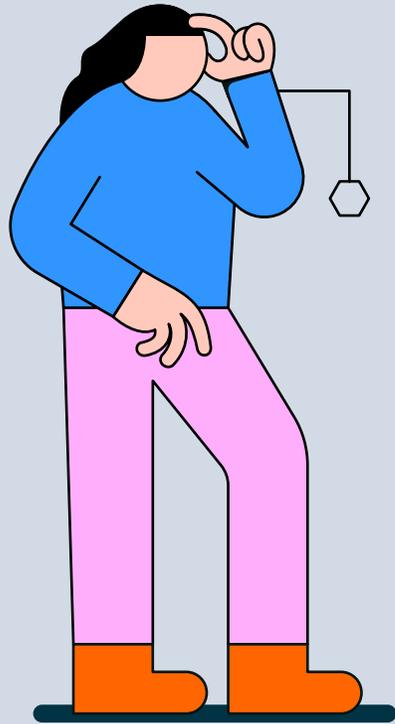
and tools to make your business run smoother.

We've never gone through more turbulent times, so when a lot feels out of our control, let's own our relationship with money. And remember - when it comes to talking about money, the most important conversation you should have is with yourself.

By **Alex Holder**

# What's Your Money Mindset?

Have you ever thought deeply about your relationship with money as a business owner? Follow this simple chart to find out where you might sit.



# Digital Collaborators

## Aspirational entrepreneurs who find talking about money and technology essential to running their business

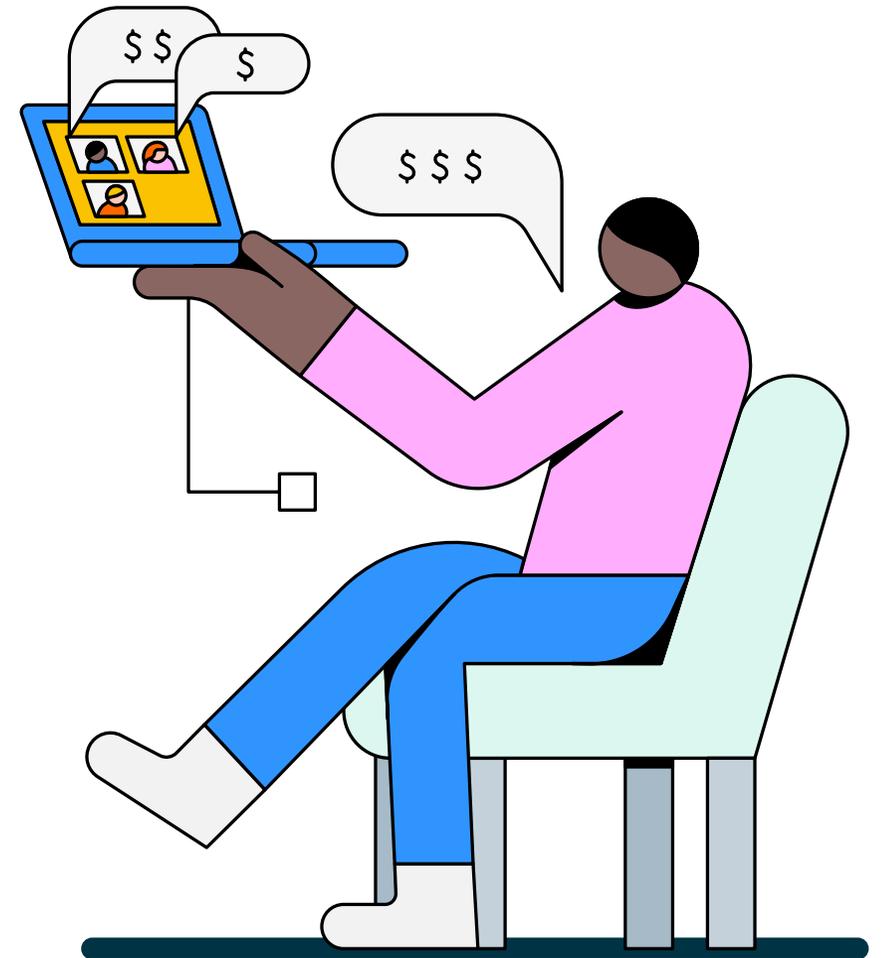
Digital Collaborators like to talk - to friends, to family, to colleagues and other people in their industry. They're not shy about sharing the ins and outs of their finances - in fact they think talking about money is essential to running their business well. This also translates to their use of digital tools, reporting that these help them feel organised and positive.

A key trademark of the Digital Collaborators is their strong belief in collaboration, listening to others, and sharing expertise. They are the most likely to pass on recommendations from friends and family to other entrepreneurs. Likewise, they are highly collaborative leaders, who

value entrepreneur networks and groups more than other business owners. They don't just hope to solve their own problems, but truly believe that a problem shared is a problem halved.

Being predominantly younger Millennials and Gen Zers, Digital Collaborators grew up online and naturally use tech to run their businesses. They may find managing money more challenging than they expected, but have astute knowledge of the digital tools that can help them manage their finances and solve problems. In fact, when faced with challenges, most [57%] are confident about where to look to find the latest tools and info – and are unafraid to share that advice and insight with others.

However, Digital Collaborators are also more conscious of their work/life balance, with more of this group reporting the impact of working longer hours on their personal life as their biggest concern. This could be because of the blurred line between work and play when it comes to their business relationships.



# Digital Collaborator

## Amy Rutter

Copywriter, Copy editor and Proofreader  
Brighton



“I’m good at managing money but can get lost in the figures, so it’s good to have a tool that keeps things clear and simple.”

I started working as a freelance writer after I was approached by someone to do some content on the side. This was whilst I was working full-time as a content producer at a search marketing agency and later in a Publications and Digital team at a national charity. At the time, I was also working on a personal website that would act as a portfolio, as well as a blog to showcase my work.

Initially, I was working full-time and doing freelance work outside of those hours. Since 2017, freelance copywriting, editing and proofreading has been my sole income. I am now quite focused on working with charities and ensuring their communications are engaging and impactful.

The idea of running my own business was sprung on me, it wasn’t a matter of financing it but having

the confidence to take a leap of faith. On top of going out on my own, I was planning to relocate and have a baby [I know, minor things...], which meant certain anxieties around cash flow arose quite quickly; I went from earning a guaranteed salary to not knowing what was going to come in each month. However, I must say I’m now in a position where there’s a steady flow of work, which has lowered concerns around cash flow.

Entrepreneur networks have proven a great source of support. I often use Facebook groups as a means to get business advice, as well as discussing concerns or issues with my partner who is also a sole trader. The biggest challenge would have to be around the many hats you wear as a business owner; I’m a writer, bookkeeper, project manager, marketing manager,

accountant and more. You become everything and it’s hard to switch off.

I don’t have an accountant but I do use an online tool to keep track of cash flow, which is extremely helpful for staying on top of my finances. I’m good at managing money but can get lost in the figures, so it’s good to have a tool that keeps things clear and simple.

Covid-19 was not something I was prepared for, no one was. A week before lockdown I had secured some of my biggest jobs yet, which all fell through. It was devastating. However, things turned around. I guess you could say it gave me an incentive to go after new business, which resulted in winning some great clients that I am working with today.

# Conscious Grafters

Confident, optimistic entrepreneurs who prioritise community contribution over profit margins

Conscious Grafters are defined by their desire to give back to their community – they're far more concerned about giving back than about making money for themselves. Fuelled by a combination of optimism and hard work, they pour themselves into their businesses, with most kickstarting things through a passion project or sidehustle before turning it into a career. In the spirit of community, business owners in this group are also the most open to crowdfunding when starting out.

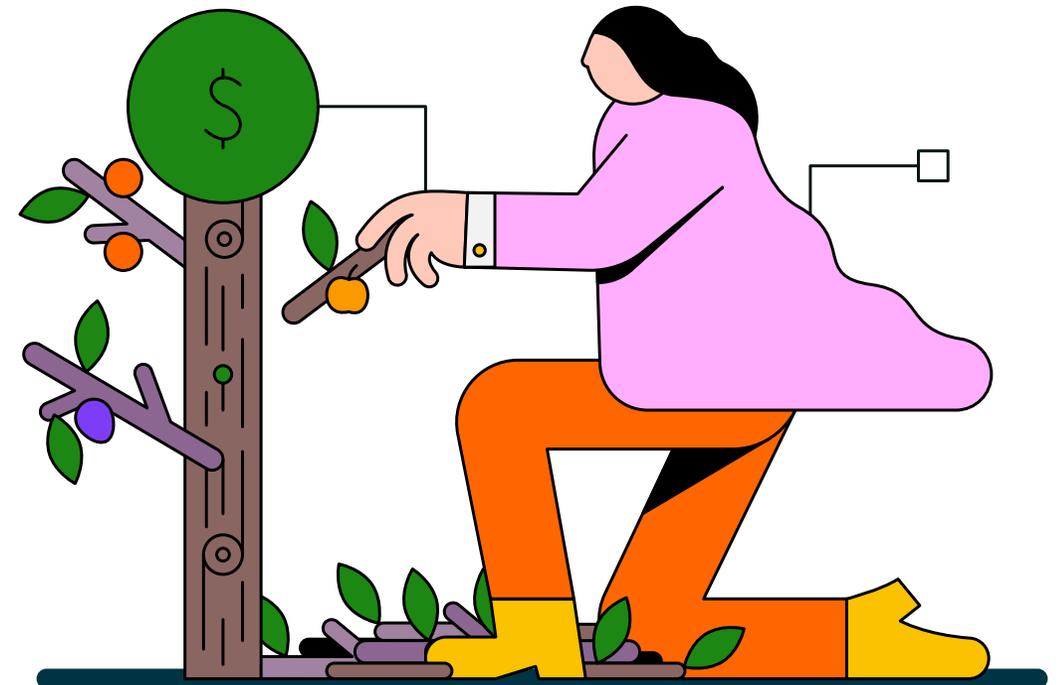
They are good at keeping cool and in control, reporting lower stress levels than other groups. Saying that, they definitely find money

more of a struggle than any other mindset – due in part to their tendency to ignore problems until they become too large to overlook. However, Conscious Grafters should be reassured by the fact that when it comes to responding to challenges, they are the most likely to respond positively – to come out the other side feeling like they've done well for themselves and their business. This is because when they do finally confront a problem, they put their head down and graft, taking on additional jobs to support their businesses.

Conscious Grafters are fiercely financially independent, preferring to avoid loans and instead

revisit their business models and budgets or search for solutions online when they face financial problems. Whilst most [75%] do find entrepreneur networks and discussing money useful, unlike the Digital Collaborator, they are much more likely to look for their own solutions first before asking for help or sharing advice.

They benefit from time-saving financial tools and expansive online resources to help them balance managing their finances with their real passion - contributing to their community.



# Conscious Grafter

## Alan Mahon

Co-Founder, Brewgooder  
Edinburgh



“I have no issue discussing the finance side of the business with friends, family and other business owners, I probably talk about it more than I talk about the business”

Brewgooder is the result of taking something I love and wanting to do some good, it's a brewery with conscience. I started the social enterprise because I wanted people to feel empowered, and we do this by investing 100 per cent of profits into providing clean water for a million people in developing countries around the world.

When I started the mission was simple, to bring a million people together through beer. But as we've grown, so has the mission. We now want to make beer the most powerful thing in the world, we want people to feel like they're investing in change when they buy our beer.

Given the scale of our mission, we needed the support of an established brewer to ensure we could make our beer under contract - it wasn't something we could do from my shed! After some persistence, we partnered with the multinational beer maker Brewdog to make our beer for us at cost. The collaboration with Brewdog

was vital to the start of Brewgooder, as it allowed us to build a brand that we knew we could scale.

When it came to financing the business, we started with a reward based crowdfund that got us off the ground. Because we work under contract, we rely on people buying our beer before we get it ourselves, so there's never an issue of too much stock. That's not to say cash flow isn't on my mind, it is! But I have no issue discussing the finance side of the business with friends, family and other business owners, I probably talk about it more than I talk about the business. From my experience, people want to help.

I think you have to worry when it comes to cash flow, it's so important, especially when you're trying to grow. The biggest challenge for us is managing credit, it's tough when we have small amounts owed by lots of different people. We need to manage brewing more beer and ensure we are getting paid for it.

We now have a CFO, so it's flagged if we are running into the red zone and we can put processes in place to avoid this happening or be prepared for when it does. We also have an accountant that helps manage cash flow and I've been able to familiarise myself with Xero, so I am aware of the ins and outs.

I'm sure everyone could say this, but Covid-19 could not have come at a worse time. During the first weekend of lockdown, we were announcing 250 new collaborations. Appreciate the bigger picture, but it drove a complete truck through what we were planning for 2020. With bars and restaurants shut down, we had to pivot and we had to do it quickly. Within three days we had announced that our beers would help NHS workers, a cause close to my heart. Upon reflection, there was some serious creative destruction in that last week of March and we came out stronger.

# Enterprising Rationalists

## Adaptive and independent thinkers running businesses that secures their financial futures

No one pivots like an Enterprising Rationalist. These accidental entrepreneurs are defined by the fact that it was circumstance, not choice, that drove them to go freelance or start a business.

Adaptable and proactive about finding the right tools to help them, Enterprising Rationalists tend to be men [75%] who were made redundant and now want to be their own boss. They are rightfully amongst the proudest of their achievements (second only to our Community Grafters) but they don't rest on their laurels. Having faced crises in the past, they value preparedness, shoring up cash in case of financial problems and ensuring they're always ready to pivot.

Their pride and independence make them amongst the least likely to ask for advice (5.9%), or to want to discuss their business finances. Instead, they seek out advice from a broad range of places and are most likely to trust tools that they've seen advertised, found online themselves, or been recommended from an accountant, rather than word-of-mouth examples from other business owners.

These natural-born analysts enjoy a challenge and learning how to do new things. They may need to be aware of taking on too much themselves, with their headaches spread across all aspects of the business – from money to marketing and HR.

Enterprising Rationalists therefore benefit from one-stop-shop tools for things like marketing and project management to keep things ticking over while they spin other plates. It's also important for them to monitor their mental health. They can benefit from emerging digital support networks to do this in an efficient way that sustains everything else they do.



# Enterprising Rationalist

## KT Roberts

Freelance Writer  
Berkshire



“Cash flow is always on my mind, I like to be aware of outgoings and keep track of profit and losses.”

I made the decision to go freelance after years of working on sets in the film industry. I'd always written on the side as it's something I truly love but struggled to find the time or avenues to make it my 'forever' thing. However, after I signed with an agent in 2017 I made a pact with myself that writing would be my priority.

What started out as a passion led to many freelance writing opportunities in film, television and theatre, and more recently the development of a horror film and my own television series. Eventually I would like to steer the business into a place where I can produce and offer roles to less established writers.

Starting a business wasn't something I had ever dreamed about per se, it ended up being a side

effect of my work. Don't get me wrong, it hasn't been easy. When I started the business I was working full-time to keep a steady cash flow. I didn't know what I was doing and often looked to Facebook groups for people in similar situations but found this was a better avenue for creative insights rather than business ones.

Cash flow is always on my mind, maybe because I'm a serial saver! I like to be aware of outgoings and keep track of profit and losses. The biggest challenge when it comes to cash flow is that I'm paid in lump sums. It relies on a lot of forward planning to ensure I don't overspend and am covered if jobs fall through.

I have got comfortable using some digital tools

that help manage my finances, such as mobile banking products, expenses apps and multi-currency accounts, as well as the usual pension pots and ISAs. However, a lot of the financial admin goes over my head, I have to say I took one look and immediately hired an accountant.

Covid-19 has impacted many small businesses and my heart breaks for them. The film industry has been massively [perhaps catastrophically] affected, but I was lucky in that my small part of it didn't stop during the pandemic. I've been busy, as many production companies are focusing on writing and story development in lieu of production. I don't have staff, which meant I didn't have to worry about wages or furlough.

# Canny Pragmatists

Calm, focused business owners who are prepared for challenges ahead and have the tools to take them on

Nothing takes Canny Pragmatists by surprise. They are calm, organised entrepreneurs who see financial issues as part and parcel of running a business. This could be in part down to the fact that Canny Pragmatists tend to be older (most being in their late-50s), meaning they've already encountered plenty of challenges whilst running their business.

As our most methodical group of entrepreneurs, it's no surprise to hear that Canny Pragmatists over index in the architecture, building and engineering industries. Highly educated, they have systems in place when it comes to both the day-to-day running of their businesses and to prepare

for challenges. Two thirds (64%) say they know where to find the best tools to help them manage their business' finances and are only likely to seek outside help when they can't solve something themselves.

Canny Pragmatists are resilient and amongst the most likely to feel positive about both their business and personal finances. But they are often reluctant to embrace modern financial products and services that could help leverage their existing skills to grow and develop their business further. Around half say they find the language around these tools confusing. This is likely why they are the least likely to seek additional funding (33%)

to support their business, and two fifths (41%) started their business using personal savings.

As experienced business owners who are likely to be well versed in tackling financial pressures, Canny Pragmatists can benefit from simple, easy to use accountancy and expense- tracking software. For those looking for new tools, they may also benefit from tailored resources and short-form financial news that can help them embrace digital tools and new business financing options.



# Canny Pragmatist

**Michelle Hua**

Entrepreneur and Inspirational Speaker  
Manchester



“Maintaining a steady pipeline of work is my key driver because it maintains healthy cash flow.”

I became an entrepreneur following a six-hour walking tour in -21 degrees in Prague, after my hands became unbearably numb and painful. When I returned to the UK, the only heated gloves I could find were big, black and bulky, which told me there was a gap in the market. This is how Made With Glove was founded, fashionable ‘wearable-tech’ heated gloves for women.

Since launching Made With Glove, I have made what felt like a natural progression to working with other startups, co working spaces, accelerators and incubators, and on funding competitions, digital skills, judging competitions, pitching, presenting. I have recently started advising other skilled tech entrepreneurs looking to come to the UK and start their business here.

Over my time as an entrepreneur, I have gained invaluable and practical experience, and I am rewarded with flexibility, travel and independence. However, the biggest challenge has been around

work life balance, being pulled in so many directions can make it difficult to manage the two. Covid-19 was a more recent and I guess you could say more direct challenge; I went from travelling the world, networking and visiting new clients, to a complete standstill.

I worked remotely 7 years ago when I moved from Australia to the UK as a solicitor so I adapted very quickly to Covid-19. I was able to turn my physical events into webinars and found that I could actually get to my market quicker because it is an international market. I didn’t need to spend on things like travel, which can be quite taxing both physically and mentally.

When I initially started the business it was self financed, which added another layer of determination to succeed. I am cautious of who I discuss my finances with, it’s not something I would share too openly with friends or family, but rather other business owners because we share the same

business and financial challenges. I am never too far from a networking event or access to my mentors which presents many opportunities for advice and tips from other like-minded business owners.

I worry about cash flow but it is something I’ve worried about less as I’ve grown. However, maintaining a steady pipeline of work is my key driver because it maintains healthy cash flow. I feel informed and can always look to my peers, accountant and bookkeeper for advice. The admin side of things has given me the biggest headache, but I’ve come to value forward planning and find digital tools – particularly accountancy software and expense management – helpful to manage cash flow.

# Headstrong Traditionalists

Resilient sole traders and freelancers who tackle financial challenges in return for an independent working life

Headstrong Traditionalists started their businesses for two reasons: to provide for themselves and their families, and because they want to be their own boss. They are decidedly money-focused, being the most likely to define success as being able to earn a good income and get rich. They also tend to be sole traders or run deliberately small businesses.

With an eye for detail and a belief in their own ability, Headstrong Traditionalists are well-educated and amongst the most financially literate.

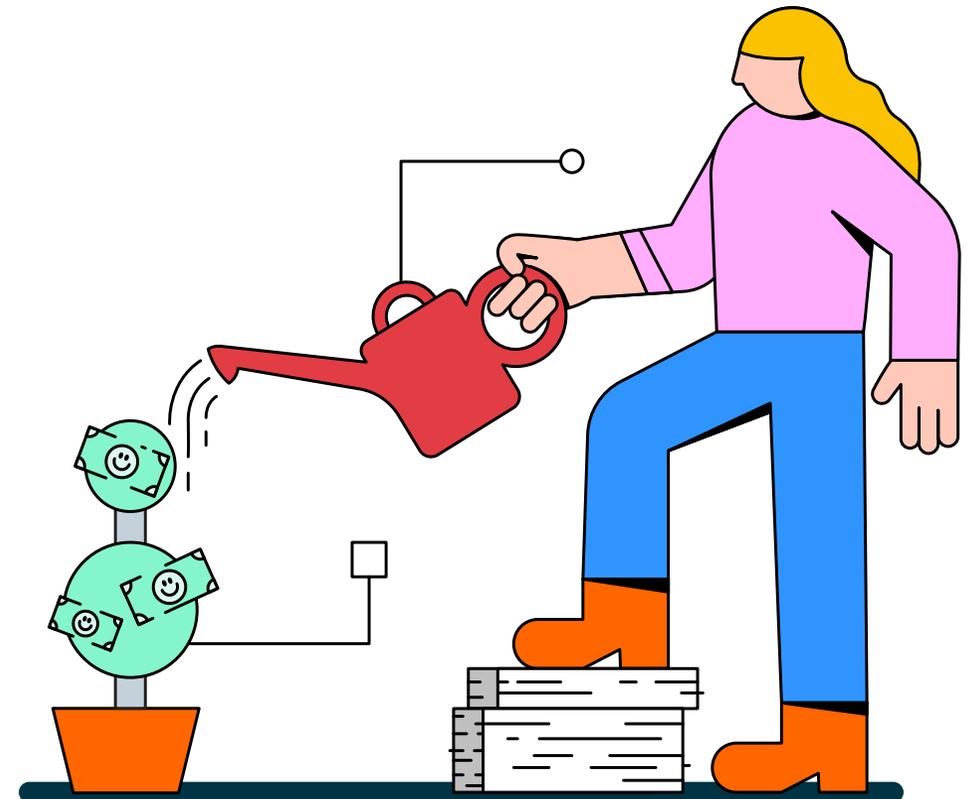
Like Canny Pragmatists, Headstrong Traditionalists tend to see challenge as an essential part of their

entrepreneurial journey. They take time to understand the challenges they face, working methodically to overcome them. However, they differ significantly when it comes to reaching out for help – with Headstrong Traditionalists being far less likely to talk to others when they're experiencing problems.

Instead, they're traditional in their approach - almost half of this group still use paper files and accounts to manage their business finances rather than a computer or digital tools. This isn't an issue for our Headstrong Traditionalists, with 65% say they're confident about being able to find useful tools to manage their finances.

That said, they can feel overwhelmed by new tools with 55% agreeing that the information around new financial products can be confusing.

Headstrong Traditionalists often miss out on networking and learning opportunities, and while their independence helps them deal with everyday pressures, they can expand their knowledge and network through collaborative online platforms and portals. Likewise, explainer breakdowns on different types of non-traditional tools and new offerings may be helpful for them when looking for support.



# Headstrong Traditionalist

## Karina Perdomo

Director & Co-Founder, Quick Brown Fox  
London



“The key challenge to cash flow was maintaining a steady flow and it's often difficult to find the time to work on the business rather than just working for it.”

I set up my video production company Quick Brown Fox Video Production with my husband, Victor. I guess you could say we were in search of the ever-elusive work life balance.

We initially sought to promote Victor's talent as a video creator and editor within the small business community in our local area. There was some heavy lifting as the business was originally financed through personal loans and credit cards, but we worked hard and now find ourselves traveling the UK and other areas across Europe for shoots with agencies and bigger clients [pre Covid-19].

As we started to grow, we realised that the key challenge to cash flow was maintaining a steady flow of work as well as chasing late payments, and it's often difficult to find the time to work on the business rather than just working for it.

Honestly, we found ourselves learning as we went.

When it came to admin, we quickly understood the importance of process, to ensure the business would run as smoothly as possible when and if problems were to arise (and really, it was a matter of when). I've been able to familiarise myself with helpful digital tools that allowed us to create effective and streamlined processes, such as accounting and expenses software that can capture and store my receipts, and a business banking app. And I must admit, our accountant is never far away.

We always find it useful to hear of other business owners and learn from their experiences, and do so via a social support network for business owners who are also parents. When it comes to finances we feel fairly self-sufficient, and apart from our accountant, do not

feel the need to turn to a broader network to work through business issues. Like many businesses, the impact of COVID-19 was not something we were prepared for. We kept a close eye on government announcements, and over the years we have built a wide network of support, which helped us to weather the storm. We are both fairly tech-savvy, which meant we could quickly implement new processes that would allow us to continue to run the business remotely, serving our clients even when it wasn't possible to meet them face to face.

# Bold Risk Takers

Risk takers who are focused on business growth and getting rich, despite being burned by bad decisions

An ambitious bunch, they can be plagued by big highs and lows when it comes to their finances but are dedicated to growing their business no matter the cost. For this reason, they are the least likely to worry about their work/life balance - although they can struggle with feelings of isolation and stress when times are tough.

They tend to start with quite traditional financial products – they're the most likely to have taken out a traditional bank loan as they got started and will resort to the basics of their own wits and paper files when they face challenges. Likewise they trust advice

from their accountants and are more likely to use tools if they're recommended by professionals rather than online recommendations or their wider community.

However, Bold Risk Takers are the most likely to find the information targeted at business owners confusing and traditional options may not best suit their needs. Instead, they may find flexible funding options that can accommodate their financial highs and lows to be more useful.

Whilst Bold Risk Takers feel a need for speed in everything, it's important they take the time to

research products and tools before they adopt them, as their fast-growth approach to business will test tools to their limits. They also need to take care of themselves to avoid burnout, embracing proactive approaches to stress management on what they know may be a bumpy ride.



# Bold Risk Taker

**Joshua Uwadiae**  
 Founder, WeGym  
 London



“Cash flow was something I worried about at the start, as the business was self-funded and I had no idea what I was doing but as we’ve grown, so have I.”

I started WeGym when I was 21. I was dealing with all the insecurities that a lot of us face in our early twenties; there was a problem in my life and I needed to solve it. WeGym is founded on togetherness, drive and support, we exist to make people feel better and stronger, to improve their quality of life.

When I started, I had a vision of building a fitness app. I quickly realised how cluttered the market was and the need to differentiate us from the pack. Today, we exist as a premium fitness site offering certified personal trainers delivered to your home, park or building gym.

Cash flow was something I worried about at the start, as the business was self-funded and I had no idea what I was doing but as we’ve grown, so have I. I’m now confident dealing with numbers and we have a steady cash flow which makes not worrying a bit easier. It’s something I would discuss with other business owners, as a means of getting advice, but not with friends or family as I prefer to keep those two separate.

I know where the business money is, I can see the margins and what I need to do to stay on top. I find my mobile business banking app to be very helpful, I can track expected outgoings

and incomings with the click of a finger. For us, it’s not about chasing payments as our customers are expected to pay upfront. I must admit, I do use an accountant to avoid a lot of potential frustration around admin.

Covid-19 presented many issues for WeGym, our entire business model is based on human interaction. Like many gyms, we pivoted quickly to offer our customers virtual sessions. Through clear communication with our community, we were able to continue offering quality fitness sessions to our customers.

# Using Your Mindset



## Digital Collaborators

It might be time to do an audit of the technology you're using. Yes, I know you love having the latest app, but do you need to use all of them? Take time to reflect on what you're using; you might find it easier to balance work and life if you streamline your tech and take a more focused approach to your finances and chasing late payments.



## Conscious Grafters

Waiting for your business problems to be unignorable only builds pressure on you – and you don't need it. Take a look for the tools that can save you time and help predict those crunchy cash flow moments, you'll almost certainly find with a little tech support you're better able to focus on your work.



## Enterprising Rationalists

You're the champion of adaptation and find it easy to wear every hat in the business. But delegating isn't a sign of weakness. Look for tools that offer a one-stop-shop to help you with some of the time-consuming admin – let the tech free up some of your day so that you can focus more on the tasks that you actually enjoy.



## Canny Pragmatists

We know that practicality is at the heart of what you do, but even simple accountancy tools that let you see your money more clearly might help you feel more in control, letting you set goals and grow your business with confidence.



## Headstrong Traditionalists

You like being the boss and that's no bad thing. But you may want to make sure this doesn't stem from a deeper, more emotional need to be in control of your finances. A useful place to start could be an app or tool that helps offload some of the responsibility of managing your cash flow and admin through more modern technology and help you visualise and understand your business even more clearly.



## Bold Risk Takers

A little pressure is great, fun even sometimes, but if it's bleeding into bigger problems then it's time to take a step back and reassess. Use the apps and tools that let you set goals and work to achieve them. Working to smooth out your cash flow highs and lows can also ease stress – money is emotional, so consider lending products that plug gaps in your finances. This way you can continue to grow and make your ambitions become realities.

## Using Your Mindset

**Alex Holder** says, “I’m a big advocate for talking about money – but the most important conversation you can have is with yourself. There is no one-size-fits-all when it comes to business, especially small nimble businesses. But if you know how you like to do business and dig down into your mindset at work you’ll understand how your personality intersects with your business... and this is invaluable as it will help you find tools and processes that genuinely suit you.”

“Plus there is so much to learn from each other. Over a quarter of Digital Collaborators find value in talking to other entrepreneurs and owners; 58% of Enterprising Rationalists are confident in finding the right tools for themselves; the Canny Pragmatist is someone all of us can learn from with 64% feeling in control thanks to their tendency to plan and prepare. All of us have something to learn and something to give.”



# Conclusion

## Where is the revolution?

The cash flow revolution is about transformation, a step-change, the moment of challenge and disruption in both technology and how business owners manage their cash flow.

Each company [limited or otherwise] is as complex and individual as we are as people. The revolution therefore comes when we understand our money, our behaviours, habits, and ourselves.

Knowing your money mindset is one of the first steps. Central to driving change within ourselves, it gives us all a way to talk about our business finances and better understand each other, as well as how we work, how we can build and grow our businesses, and how we can navigate turbulent times.

Right now, two thirds of business owners feel out

of control when it comes to their business finances. Cash flow is negatively impact the mental health of small business owners and freelancers.

But it doesn't have to be this way – we can change the conversation around running a business.

### What to look for:

**Automation** – Automation is all about saving people time – an important reason that nearly half [46%] of business owners value in the tools that they use, whether they're for accounting or admin. This helps them feel organised and in control and more positive about their cash flow.

**Visibility** – 40% of business owners say that being able to see their money clearly is the main reason to choose a specific tool or piece of technology, with a further

30% saying that it's the ability to understand cash flow that's key. Visibility is also a predominant factor in helping people feel in control, with 46% of business owners who feel in control highlighting this as a reason for choosing their tools.

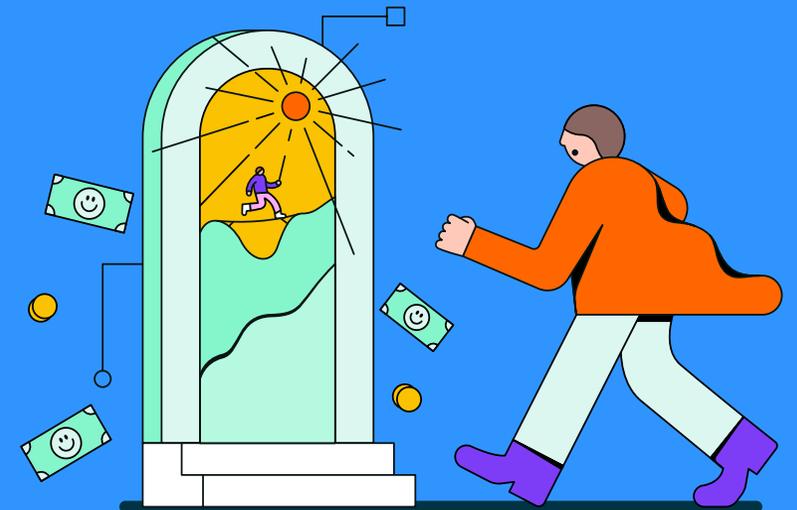
**Accessible finance** – It's not all about bank loans or overdrafts when it comes to accessible finance, rather it's important to know what works best for you. However, it's worth noting that people who feel in control of their business finances are among the most likely to use working capital [30%] to ease financial pressure and the least likely to use short-term credit [22%].

**Community** - Business owners that talk to each other tend to feel the most in control [30%], prepared [38%] and confident [42%] about their money. Likewise

with those who identify third party groups and entrepreneur networks to be helpful in supporting their business. Your community doesn't need to be huge but having people you can talk to about your businesses, the challenges you face and financial questions you might have can be invaluable in helping to feel more in control.

### Managing cash flow can be easier. It can be more accessible and understandable.

But we have to empower ourselves and that starts with understanding and talking about our businesses and our money and being equipped with the right tools. This is what ultimately puts us in true control of our business and our finances.



# About Asto

**Asto believes that no good business should fail for want of time, support or access to finance. We're empowering business owners to manage their cash flow simply and practically, at anytime and anywhere – so they can spend more time doing what they love.**

Asto, part of the Santander Group, aims to help small businesses manage their cash flow through technology and simple business tools and financing products that empower them to keep cash flowing.

Asto currently offers its simple bookkeeping tools via the Asto app on iOS and working capital loans [Asto Business Capital] to help small business owners access funds to cover short-term cash flow gaps and to invest in growth opportunities.

