

How to grow your business with smart borrowing

Is using your cash reserves to grow your business the best strategy? Most likely not.

The Irish economy is performing well, and Irish SMEs are in confident mood. However, instead of using smart borrowing to grow their businesses, they are dipping into their cash reserves to expand, which may not be the best strategy.

According to new research into Irish SMEs, conducted by Red C, 78% of Irish SMEs are confident in their ability to borrow - if they [need more capital](#) over the next twelve months.

However, just one quarter (23%) say they will borrow in the coming year, as they look to grow.

"The research findings have shed light on current borrowing habits and expectations of SMEs across the country," says Michael Lauhoff, director of Business Banking, Bank of Ireland. "Interestingly, 60% of SMEs report using personal funds to invest in growth over the past three years. It is important that business owners remember to engage in smart borrowing to grow their business while maintaining sufficient cash reserves."

VIDEO: [Watch this video](#) on how smart borrowing, rather than using your cash reserves, can help your business grow and ensure you don't run out of cash.

National Enterprise Week

Brexit is a concern for 53% of firms, along with staff recruitment and being able to retain excellent staff, suggests the Red C poll of 450 Irish SMEs which was carried out in August and September 2018.

However, 53% feel positive about the Irish economy in the next twelve months with more than half (58%) expecting turnover to grow. Only 9% expect their business to decline over the coming year.

Bank of Ireland is inviting business owners to attend the various [National Enterprise Week](#) events taking place nationwide starting on October 5. [Book your place now](#). It's free to attend and open to all businesses.

"In addition to SMEs gaining insights into financial discipline, achieving growth and greater returns and enabling efficiencies, the events will also examine the potential impact of Brexit and how best to prepare. Events will cover all sectors," says Lauhoff.

As SMEs across the country look to grow; working capital, new machinery and equipment are the top reasons for borrowing according to the research. 81% of SMEs looking to raise finance, say they would consider Irish banks over the Credit Union or private investors.

70% of firms polled for the research say they would like an easier loan application process from a bank.

If you would like to easily apply for finance and get a result within 48-hours, [go here.](#)