

SMEs Cash Flow and Expenditure Management Survey

Research Background

In January 2013, Visa Hong Kong commissioned the Public Opinion Programme at the University of Hong Kong (POP) to conduct a survey entitled “Survey on Expenditure and Cash Flow Management of Local SMEs”. The main objective of this survey was to understand the current situation of the local small- and medium-sized enterprises’ (SMEs) expenditure and cash flow management. Target respondents of this survey were the employers or designated staff who were in the position of financial management of the selected companies.

The survey questionnaire used in this study was jointly designed by both parties involved, whilst fieldwork operations and data analysis were conducted independently by the POP Team, without interference from the project sponsor or any third party.

Research Design

The target population of this survey was local SMEs covering all sectors. SMEs were operationally defined as those local firms whose staff number was not more than 50 for non-manufacturers or not more than 100 for manufacturing companies.

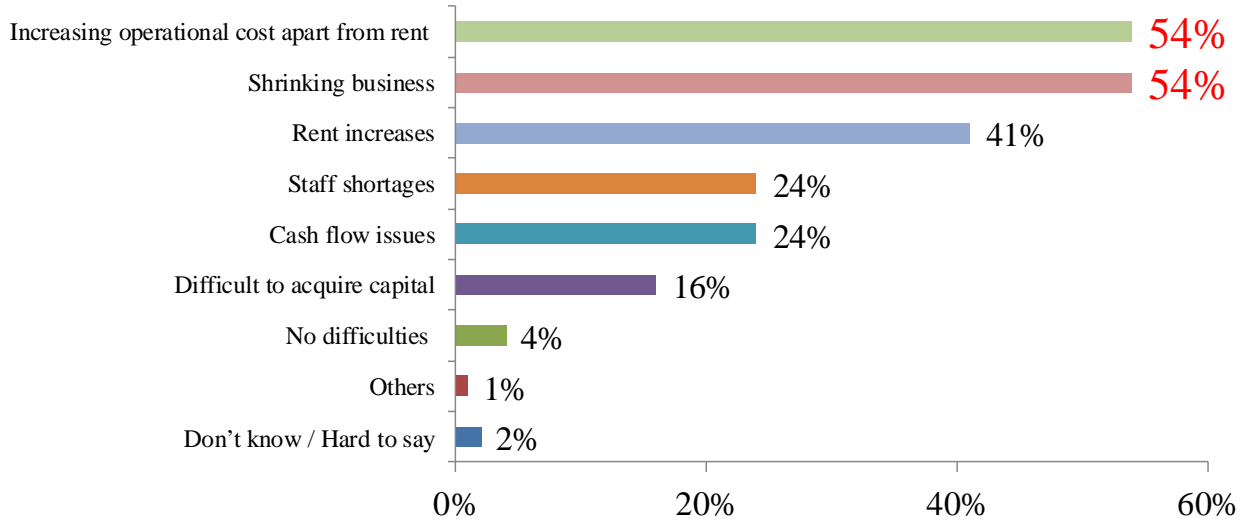
The survey was conducted during the period of **21 February to 7 March 2013**. A total of **515** qualified employers or financial management staff of local SMEs were successfully interviewed. The overall effective response rate was 79.2 percent and the standard sampling error for the percentages based on this sample was less than 2.2 percentage points. In other words, the sampling error for the percentages was less than plus/minus 4.4 percentage points at 95 percent confidence level.

Key Survey Findings:

A) SMEs Cash Flow Management

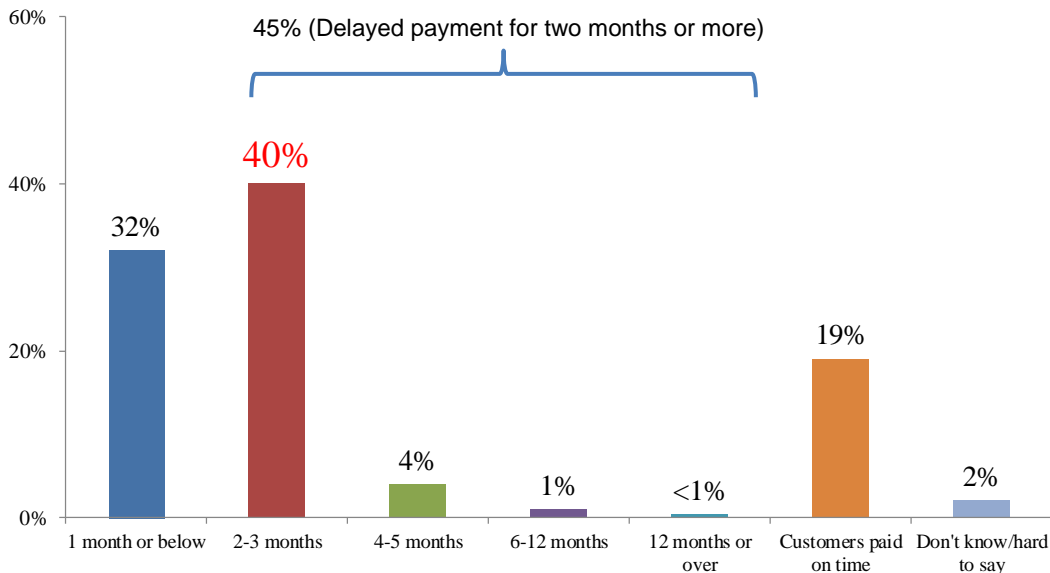
1) What are the major challenges that your company is facing now under the current macro-economic environment?

Major challenges faced under the macro-economic environment

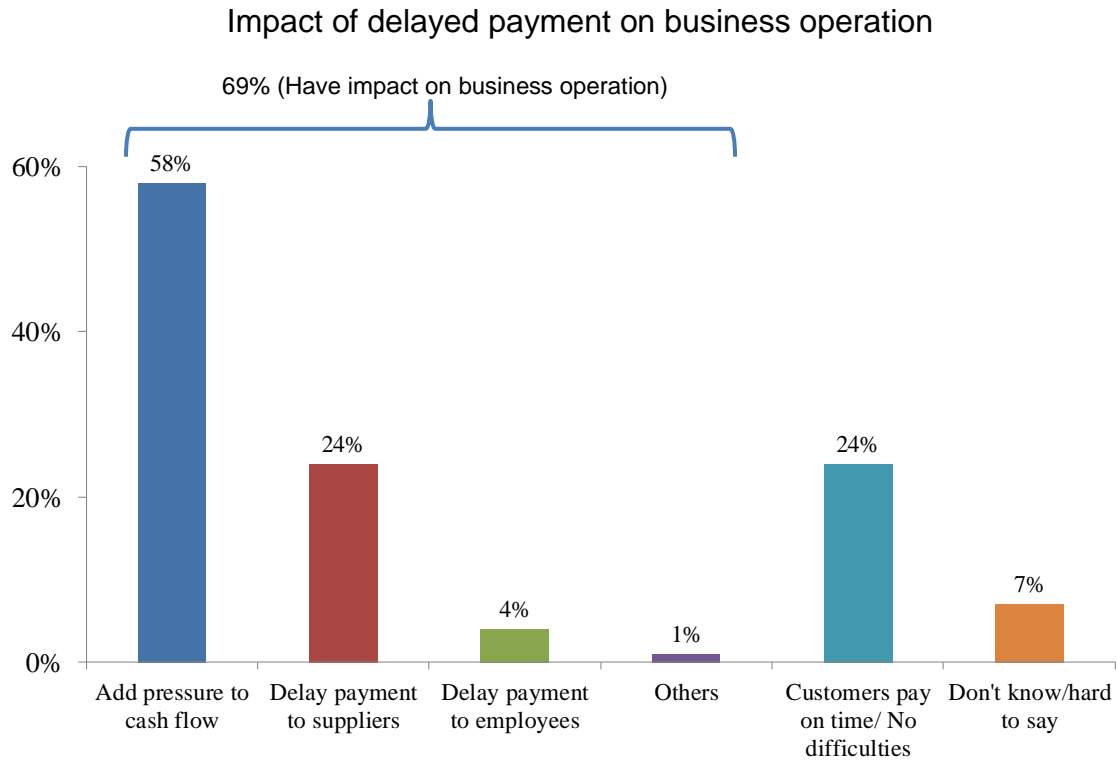


2) In general, how much time on average does it take to receive payment from your customers?

Average payment time from customers

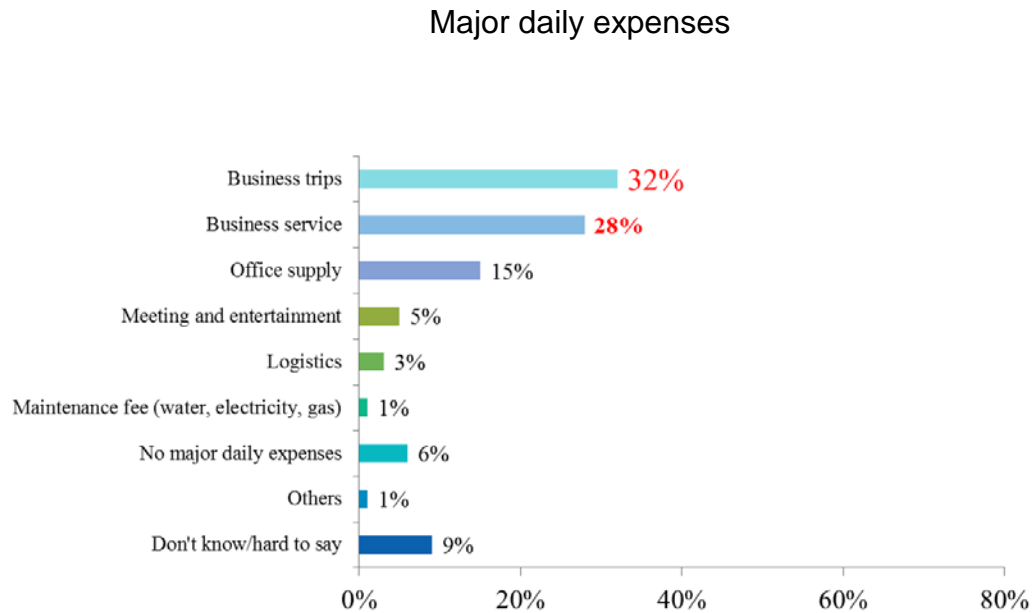


3) Should your customers delay payment, how will it affect your business operation?



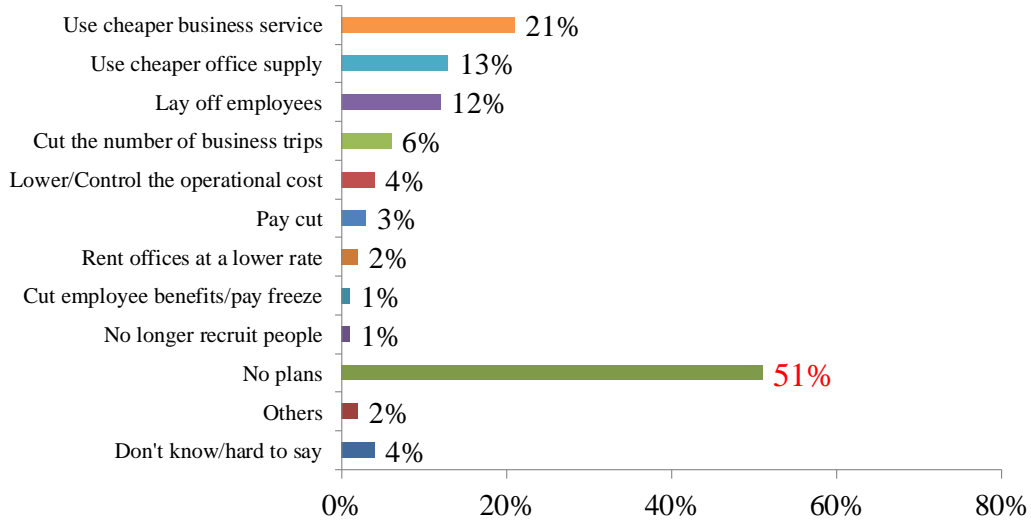
B) Operational Cost

4) What are the major daily expenses for your company amenities? Please exclude those of staff, rent and raw materials.



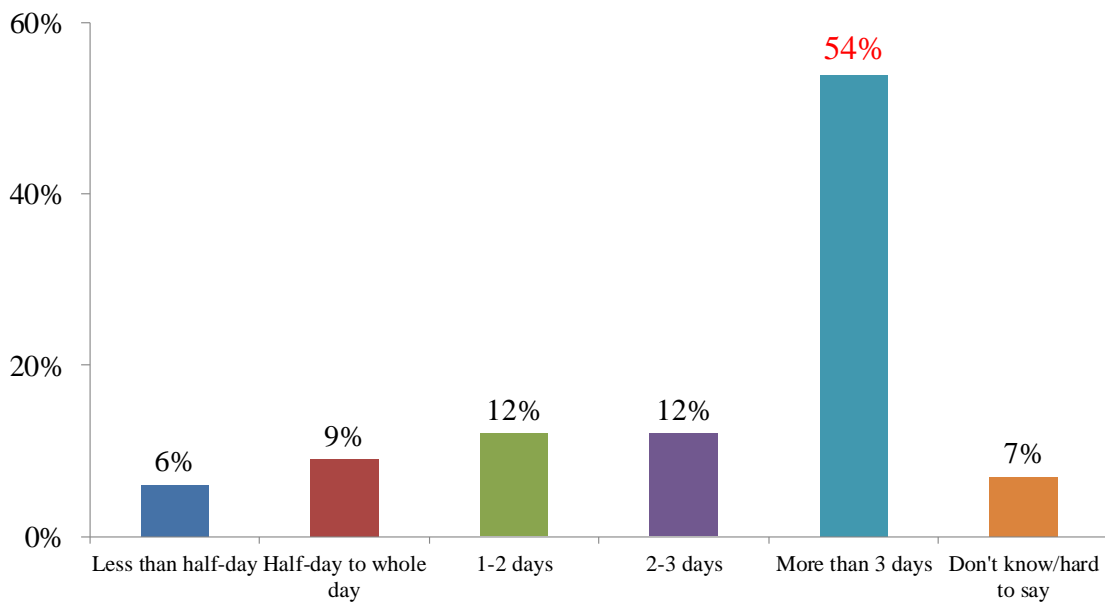
5) Do you have any plan to reduce the operational cost of your company?

Ways to reduce operational cost



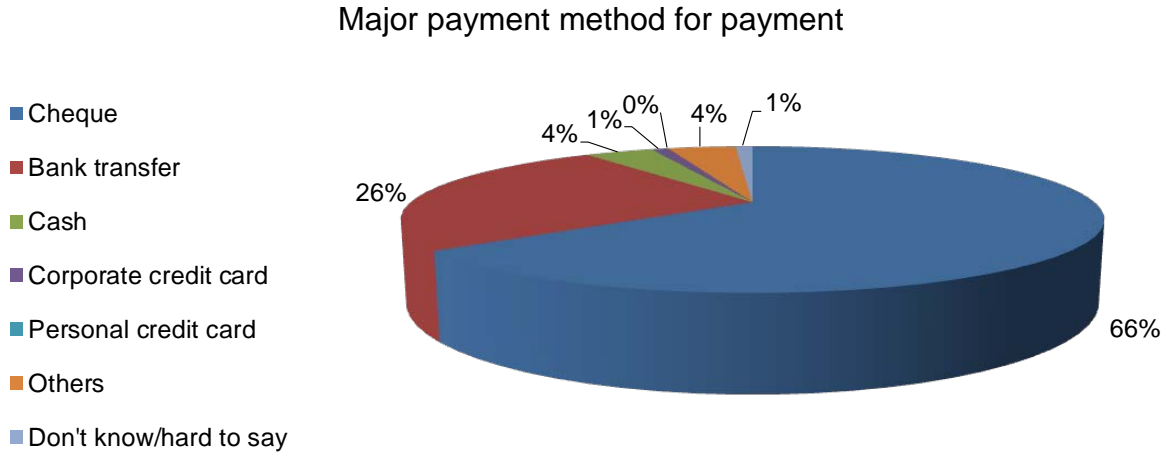
6) How much time on average do you or your financial management staff spend on managing the company's expenses per month?

Average time spent on management of expenses



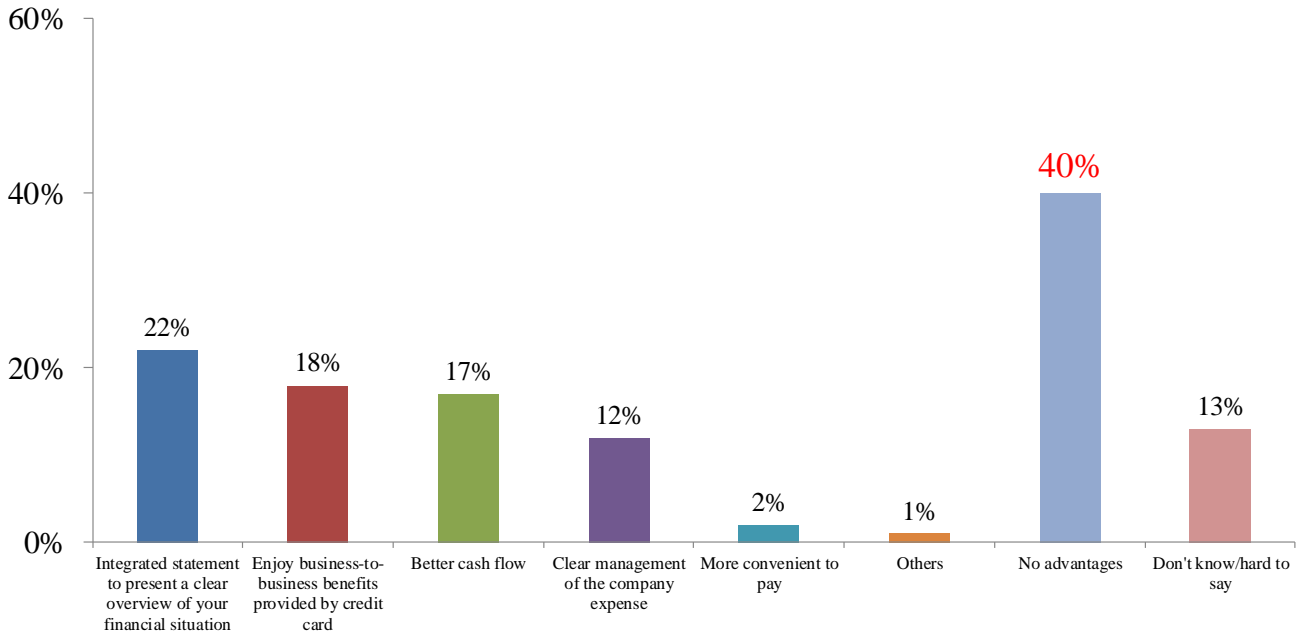
B) SMEs Payment Habits

7) Which payment method does your company use most often when paying your suppliers or business partners?



8) What do you think are the advantages of using business credit cards to pay for company expenses?

SME's perception of the advantages of corporate credit cards



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