

The State of SMB Finance in Canada: Navigating Challenges, Unlocking Potential

In October 2024, Float conducted a study of nearly 700 SMBs. Here are the findings.

Please direct questions to press@floatfinancial.com



Canadian SMBs are forging ahead with confidence, but beneath the surface, you're facing financial obstacles that threaten to hold you back. What's fueling this optimism despite the challenges? And how are traditional banks missing the mark when it comes to supporting your growth?

Dive into the results from our latest study that sheds new light on the complexities of financial management for SMBs and what's causing the issues.

SMBs are confident amid challenges.

Canadian small and medium-sized businesses (SMBs) are showcasing extraordinary confidence and resilience in the face of significant financial challenges.

SMBs are bullish on performance, and optimistic about growth

87% feel confident about the current performance of their business.

6 out of 10 feel more optimistic than a year ago.

1 in 2 anticipate year-over-year profit growth.

Financial Challenges

Despite their optimism, SMBs face a range of financial hurdles, with high operating costs and fees on financial products topping the list.

Bridging the gap between ambition and reality with purpose-built solutions could unleash a wave of SMB-driven economic growth.

Top 5 financial challenges faced by SMBs

- 1 High operating costs
- 2 High interest rates or fees on financial products
- 3 Inconsistent or unpredictable revenue
- 4 Insufficient cash flow
- 5 Difficulty accessing capital or credit and inefficient financial processes or systems

Want to read more about how Float is tackling these challenges head-on? [Read our SMB Manifesto](#)

Traditional banking is missing the mark; SMBs need custom solutions.

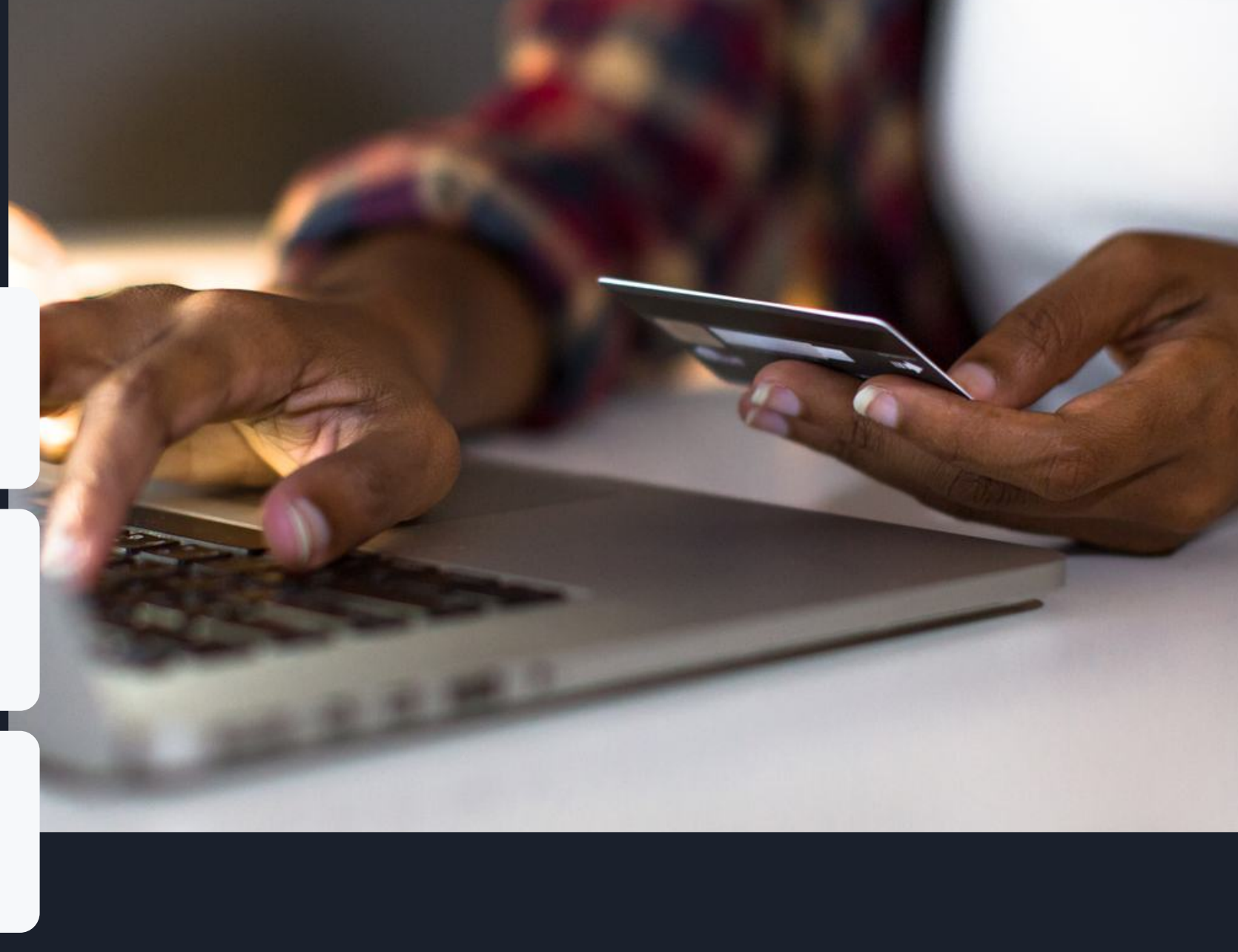
Canadian SMBs are frustrated with traditional banks, citing a widespread failure to meet their unique needs. This dissatisfaction is triggered by **inadequate product offerings, operational processes, and overall value propositions.**

While all business segments are frustrated with current offerings from banks, **newer businesses** are feeling it more.

Newer businesses face heightened financial challenges and dissatisfaction with banking

Newer businesses (0-5 years old) | **Older businesses** (>20 years old)

Inadequate customer service	72%	52%
Difficulty accessing capital	70%	21%
Low confidence that banks are interested in supporting them	63%	39%
Insufficient cash flow	56%	48%
Low credit limits on business credit cards	51%	18%



SMBs are dealing with limited access to capital, poor customer service, and scant support from traditional financial providers. Nearly six out of 10 SMBs are unhappy with options for savings accounts, interest rates, and rewards programs.

More than half of SMBs feel traditional banks:

- ⊗ don't understand their business or its unique needs
- ⊗ aren't interested in supporting small business owners
- ⊗ don't provide adequate levels of customer service
- ⊗ don't offer competitive yield on cash balances
- ⊗ don't offer satisfactory interest rates on business savings accounts
- ⊗ don't provide attractive cashback or rewards programs

Insufficient cash flow is a major concern for SMBs:

65% are dealing with long processing times for financial transactions

59% are experiencing lengthy loan approval processes

Accessing financial services has become more challenging:

50% of SMBs are dealing with low credit limits on business credit cards

41% are struggling with high interest rates or fees on financial products

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Current financial processes and tools add complexity, not efficiency.

Inefficient and manual financial processes and tools hinder the ability of SMBs to make informed decisions and predict potential issues.

SMBs with ineffective financial tools and processes were found to face a greater likelihood of severe financial challenges. This highlights the crucial role of streamlined, integrated financial management systems in maintaining business financial health and visibility.

Top inefficiency drivers	% of SMBs
Financial tools that don't integrate well with each other	55%
Financial tools that are not intuitive and clunky	52%
Current financial reporting processes are inefficient	50%
10 to 40 hours a month spent on payments and reconciliation processes	50%
Errors in financial records that require correction	50%
No single source of truth for all financial data	43%
Operate without good visibility into cash flow or the ability to predict potential problems	43%

There is a critical need for more efficient, integrated, and user-friendly financial management tools and processes for SMBs.

The current landscape of disconnected, clunky tools and inefficient processes is leading to significant time waste, data inaccuracies, and poor visibility into crucial financial metrics like cash flow.

These issues are not merely operational inconveniences, but are directly impacting SMBs' ability to manage their finances effectively, access capital, and make informed business decisions.



SMBs using poorly integrated tools are **two times more likely** to report poor visibility into their cash flow

SMBs who use financial systems that are clunky and intuitive are **twice as likely** to report poor cash flow visibility

Operational teams are more attuned to challenges

Our research highlights a perception gap between business leaders and their teams, who report more concern about inefficiencies.

This suggests that executives may be overlooking or minimizing issues that contribute to their overall business health.



Elevate the way you manage your business. Demand more, accept nothing less.

At Float, we're not waiting around for banks to catch up or for policy changes to make life easier for SMBs. We're delivering real solutions right now—higher returns on your cash, interest-free funding, faster bill payments, and more game-changing features before year-end.

It's time to stop settling. Demand the financial tools that work for you. You deserve better.

[Read the SMB manifesto](#)