

2023-2024

**GROWTH
CORPORATES
WORKING
CAPITAL INDEX**

North America Edition

VISA





WHAT IS A GROWTH CORPORATE?

The **2023-2024 Growth Corporates Working Capital Index: North America Edition** examines the working capital needs of Growth Corporate CFOs and treasurers in North America whose firms generate annual revenues between \$50 million and \$1 billion in the agriculture, commercial travel, fleet and mobility, healthcare and marketplaces sectors. Visa commissioned PYMNTS Intelligence to conduct the research and produce the report, and the underlying survey was conducted by telephone between March 9 and June 12. The Growth Corporates Working Capital Index (WCI) study surveyed CFOs and treasurers of Growth Corporates, organizations with unique needs and capabilities that often fall through the cracks between small businesses and enterprises with purpose-built solutions. The 2023-2024 Growth Corporates WCI offers practical insight into how these CFOs balance the day-to-day requirements of their businesses with the cash flow requirements needed to survive, thrive and scale.



2023-2024

Growth Corporates Working Capital Index

04

Executive Summary

06

Part I:
Protecting Businesses
With Working Capital

10

Part II:
State of Play 2023

18

Part III:
How Top Performers
Deploy Working Capital

22

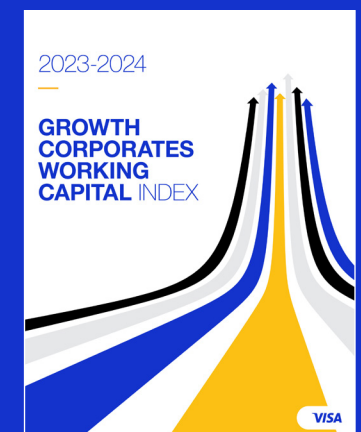
Part IV:
2024 Outlook

26

Conclusion

2023-2024 GROWTH CORPORATES
WORKING CAPITAL INDEX

[Click here to download](#)



EXECUTIVE SUMMARY

As North America continues to cope with persistent inflation, the juxtaposition of a strong United States dollar and a weak Canadian dollar and tight monetary policies that make investing expensive going into 2024, companies in this region must navigate a challenging path. The expected moderation of consumer spending and housing market disruptions that will slow economic growth prospects in the short to medium term drive the conservative economic outlook. Another economic factor in play for this region is the continuous sector malaise of its regional banks. Within this background, Growth Corporates in North America face myriad economic headwinds driving them to use external working capital solutions effectively. Growth Corporates in the region have been successful in their operational management efficiency, and how they continue to effectively use working capital solutions will determine both their short-term success and market viability as successful participants in their respective industries.

North America ranks second among all other regions analyzed in the Growth Corporates Working Capital Index — the Asia-Pacific (APAC); Central Europe, the Middle East and Africa (CEMEA); Europe; and Latin America and the Caribbean (LAC) regions — averaging an index score of 51 that suggests companies in the region, for the most part, effectively used external working capital for mostly strategic objectives rather than tactical ones. Despite their economic challenges, North America Growth Corporates are poised to increase their operational effectiveness using working capital solutions next year, from 71% in the last 12 months to 90% next year.

Growth Corporates in North America use external working capital solutions to support planned growth and expected cash flow shortfalls and to improve business metrics.

1

Seventy-two percent of North American Growth Corporates that tapped into external working capital say it improved their business metrics. Nearly 9 in 10 achieved favorable payment terms for new business initiatives.

2

Except for the fleet and mobility sector, North American Growth Corporates tend to use working capital solutions, particularly working capital loans and overdrafts, more than average to manage cash flow.

3

Within our study, all top-performing North American Growth Corporates in the fleet and mobility sector and 7 in 10 healthcare top performers tapped external working capital strategically to grow and develop their businesses.

4

Nine in 10 North American Growth Corporates plan to access financing next year. Working capital loans, bank credit lines and corporate overdrafts comprise the bulk of solutions they intend to tap as their primary external capital sources.

2023-2024

**GROWTH
CORPORATES
WORKING
CAPITAL INDEX**



**PART I:
PROTECTING
BUSINESSES
WITH
WORKING
CAPITAL**

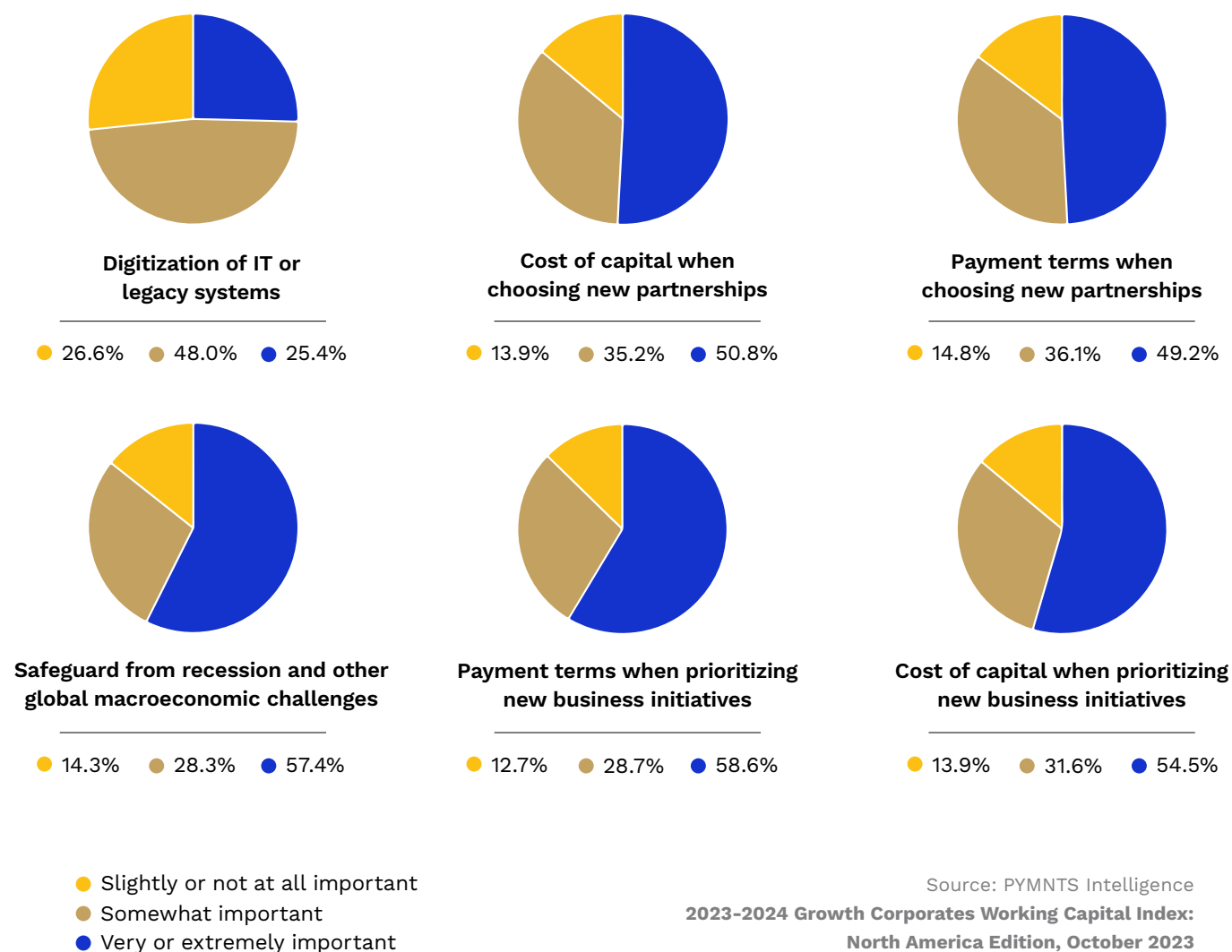
Seventy-two percent of North American Growth Corporates that tapped external working capital say it improved their business metrics. Nearly 9 in 10 achieved favorable payment terms for new business initiatives.

Seventy-one percent of Growth Corporates in North America accessed working capital solutions in the last 12 months — the third highest utilization rate across all five regions in this study, behind LAC and Europe. The reason companies in this region cited most for using working capital was their assessment that working capital solutions were impactful in achieving favorable payment terms when venturing into new business initiatives; 87% of CFO respondents said this. Similarly, 86% of CFOs said the same about the role of financing in securing favorable capital for new initiatives. As mentioned in this report’s introduction, Growth Corporates in this region face unprecedented economic headwinds; as such, 85% of CFOs used working capital solutions to safeguard their businesses from macroeconomic challenges.

FIGURE 1:

Improvements working capital enabled

Share of North American Growth Corporates citing the importance of having access to working capital solutions to achieve select objectives



Source: PYMNTS Intelligence
 2023-2024 Growth Corporates Working Capital Index:
 North America Edition, October 2023
 N = 244: Whole sample of North American CFOs,
 fielded March 9, 2023 – June 12, 2023

2023-2024

**GROWTH
CORPORATES
WORKING
CAPITAL INDEX**



PART II:
**STATE
OF PLAY
2023**

Except for those in the fleet and mobility sector, North American Growth Corporates tend to use working capital solutions, particularly working capital loans and overdrafts, more than average to manage cash flow.

Cash flow management allows companies to forecast spending and strategize investments, among other key operations, and external working capital solutions are pivotal in this endeavor. North American Growth Corporates in commercial travel, for instance, exhibited high rates of use of these solutions for expected cash flow gaps: 48%, compared to the global average for this industry, which is just 28%. As for Growth Corporates in agriculture, these companies tapped working capital loans, overdrafts and third-party revolving solutions to manage their expected and seasonal cash flow gaps. North American agricultural Growth Corporates had the highest utilization of working capital solutions for seasonal cash management, at 63% — 37% higher than the global industry average.

For their part, marketplaces in North America used working capital loans, bank lines of credit and third-party revolving solutions to manage expected and unexpected cash flow shortfalls at greater rates than marketplaces in other regions. Roughly 45% of North American marketplaces accessed these solutions for predictable cash flow gaps; in CEMEA, the rate is 33% among local marketplaces. Furthermore, 31% of North American marketplaces used working capital solutions to manage emergencies, compared to 24% among APAC marketplaces. This difference could be attributed to a more volatile economic operating environment for marketplaces in North America that would push for the need for emergency funding.

FIGURE 2:

Working capital solutions' usage

Share of North American Growth Corporates that used select working capital solutions last year, by segment

	TOTAL	Most used	Used, but not the most used
HEALTHCARE AND MEDICAL			
• Working capital loan	25.0%	20.8%	4.2%
• Bank line of credit	12.5%	2.1%	10.4%
• Third-party revolving credit facility	4.2%	2.1%	2.1%
• Corporate/virtual credit card	6.3%	4.2%	2.1%
• Invoice financing/factoring	12.5%	6.3%	6.3%
• Overdraft from corporate bank account	31.3%	18.8%	12.5%
• Letter of credit/bank guarantee	8.3%	6.3%	2.1%
• Draw against unused corporate credit line	4.2%	2.1%	2.1%

Source: PYMNTS Intelligence

2023-2024 Growth Corporates Working Capital Index: North America Edition, October 2023

N = 244: Whole sample of North American CFOs, fielded March 9, 2023 – June 12, 2023

(Continued on next page)

FIGURE 2: Continued

	TOTAL	Most used	Used, but not the most used
COMMERCIAL TRAVEL			
• Working capital loan	27.3%	24.2%	3.0%
• Bank line of credit	12.1%	6.1%	6.1%
• Third-party revolving credit facility	18.2%	12.1%	6.1%
• Corporate/virtual credit card	6.1%	3.0%	3.0%
• Invoice financing/factoring	15.2%	12.1%	3.0%
• Overdraft from corporate bank account	6.1%	3.0%	3.0%
• Letter of credit/bank guarantee	6.1%	6.1%	0.0%
• Draw against unused corporate credit line	3.0%	0.0%	3.0%
FLEET AND MOBILITY			
• Working capital loan	53.6%	35.7%	17.9%
• Bank line of credit	17.9%	10.7%	7.1%
• Third-party revolving credit facility	21.4%	3.6%	17.9%
• Corporate/virtual credit card	10.7%	7.1%	3.6%
• Invoice financing/factoring	10.7%	3.6%	7.1%
• Overdraft from corporate bank account	32.1%	14.3%	17.9%
• Letter of credit/bank guarantee	21.4%	17.9%	3.6%
• Draw against unused corporate credit line	3.6%	0.0%	3.6%

	TOTAL	Most used	Used, but not the most used
MARKETPLACES			
• Working capital loan	42.7%	31.3%	11.5%
• Bank line of credit	22.9%	14.6%	8.3%
• Third-party revolving credit facility	27.1%	14.6%	12.5%
• Corporate/virtual credit card	13.5%	2.1%	11.5%
• Invoice financing/factoring	11.5%	4.2%	7.3%
• Overdraft from corporate bank account	8.3%	4.2%	4.2%
• Letter of credit/bank guarantee	4.2%	1.0%	3.1%
• Draw against unused corporate credit line	1.0%	0.0%	1.0%
AGRICULTURE			
• Working capital loan	33.3%	25.6%	7.7%
• Bank line of credit	15.4%	5.1%	10.3%
• Third-party revolving credit facility	17.9%	15.4%	2.6%
• Corporate/virtual credit card	5.1%	0.0%	5.1%
• Invoice financing/factoring	7.7%	7.7%	0.0%
• Overdraft from corporate bank account	15.4%	12.8%	2.6%
• Letter of credit/bank guarantee	2.6%	0.0%	2.6%
• Draw against unused corporate credit line	0.0%	0.0%	0.0%

Source: PYMNTS Intelligence

2023-2024 Growth Corporates Working Capital Index: North America Edition, October 2023

N = 244: Whole sample of North American CFOs, fielded March 9, 2023 – June 12, 2023

48%

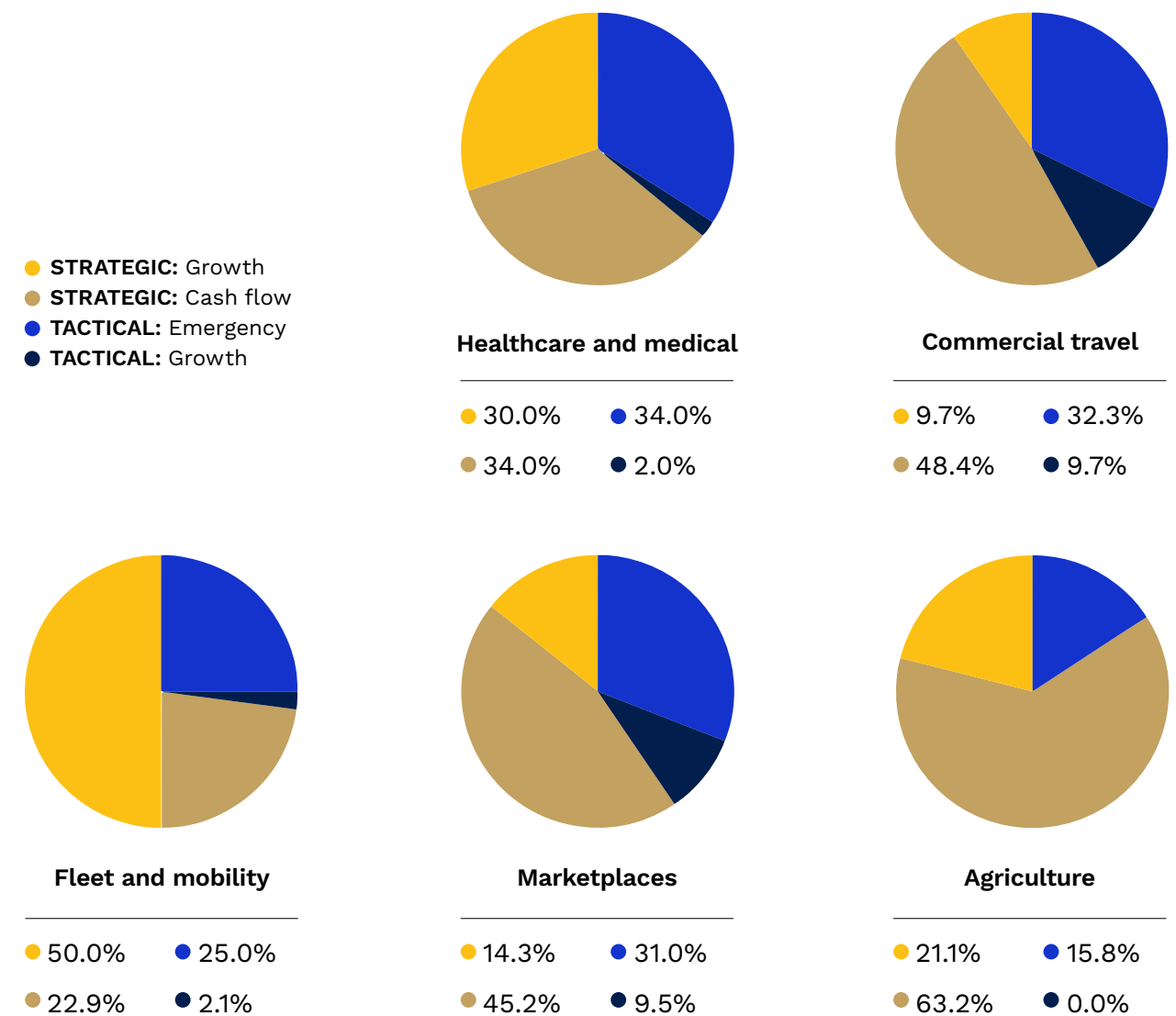
SHARE OF **NORTH AMERICAN** GROWTH CORPORATES IN COMMERCIAL TRAVEL THAT USED WORKING CAPITAL SOLUTIONS FOR EXPECTED CASH FLOW GAPS; **THE GLOBAL AVERAGE IS JUST 28%**

North American marketplaces had the highest utilization of corporate and virtual cards compared to other industries in the region, even if these firms used other solutions most often. Virtual cards seem to increase the operational efficiency of Growth Corporates, as survey data shows a strong correlation between high operational efficiency for companies and industries that use this solution. Approximately 14% of North American marketplaces accessed this solution last year, whereas just 5% of Growth Corporates in agriculture tapped this solution.

FIGURE 3:

Drivers of working capital usage in North America

Share of North American Growth Corporates citing the most important reason for using working capital solutions in the last 12 months



Source: PYMNTS Intelligence
2023-2024 Growth Corporates Working Capital Index: North America Edition, October 2023
 N = 173: North American CFOs who accessed working capital solutions in the last 12 months, fielded March 9, 2023 – June 12, 2023

2023-2024

**GROWTH
CORPORATES
WORKING
CAPITAL INDEX**



PART III:
**HOW
TOP
PERFORMERS
DEPLOY
WORKING
CAPITAL**

Within our study, all top-performing North American Growth Corporates in the fleet and mobility sector and 7 in 10 healthcare top performers tapped external working capital strategically to grow and develop their businesses.

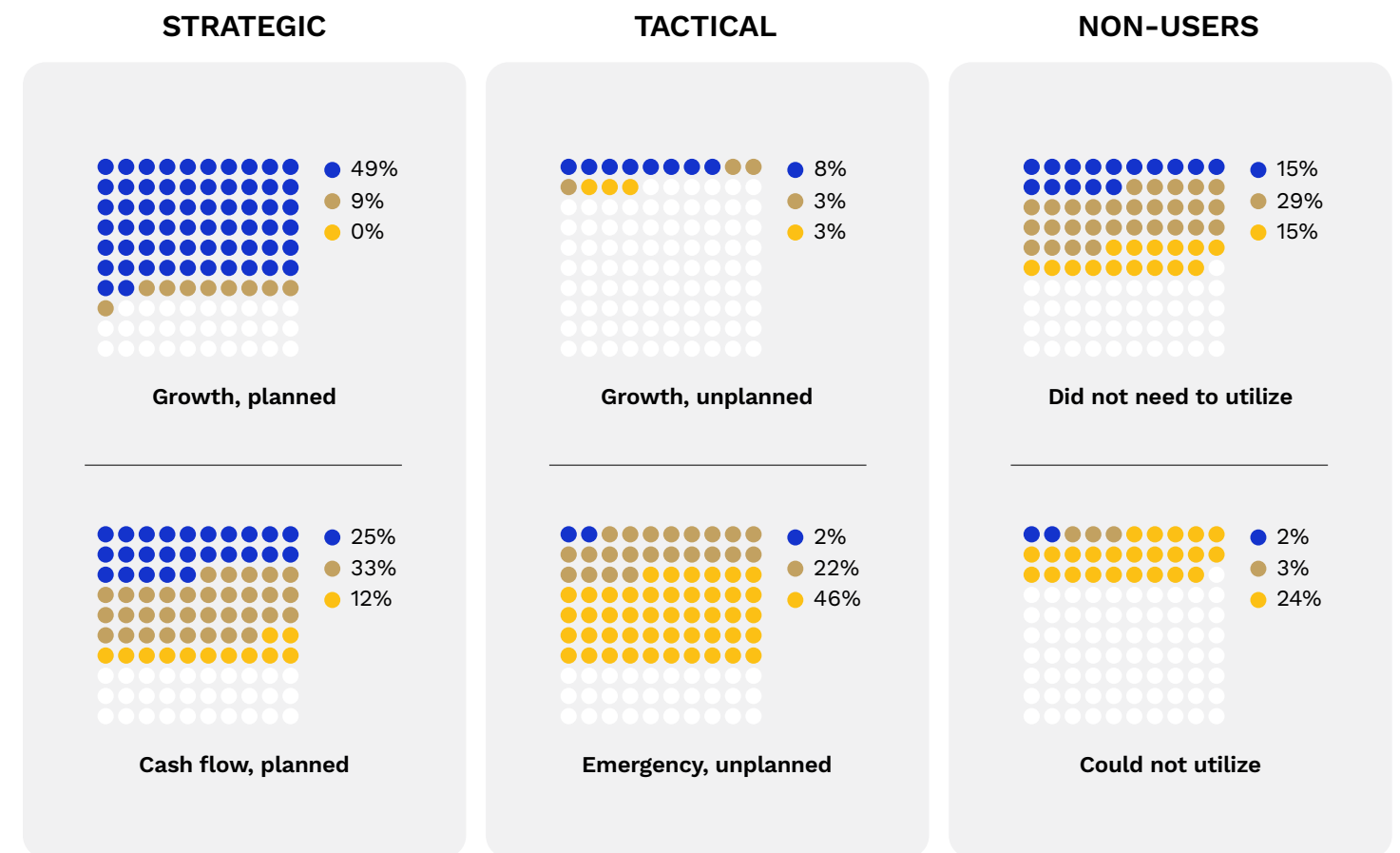
Strategic use of working capital solutions tends to focus mostly on growth investment, and this remains true for this region, where 49% of top performers used external working capital for strategic growth purposes. The breakdown for specific industries shows that top performers in the fleet and mobility sector in the region focused their attention on growth, as evidenced by all these CFO respondents stating they accessed working capital to grow their businesses. Healthcare top performers in the region also exhibit above-average regional utilization rates for this purpose, with a 70% share accessing working capital for strategic growth.

Top-performing Growth Corporates in North America also use working capital to cover expected cash flow shortfalls — one-quarter have accessed these solutions for this purpose. An industry breakdown reveals that agriculture and commercial travel Growth Corporates in this region use working capital for cash flow continuity reasons in shares greater than the 25% average among top performers. Survey data shows that 43% of top performers in agriculture and 33% of top performers in commercial travel accessed working capital for predictable shortfalls.

FIGURE 4:

Working capital use motivators — and deterrents

Share of North American Growth Corporates that cite select reasons why they did or did not access external working capital in the last year (2022–2023), by index performance tier



- Top
- Middle
- Bottom

Source: PYMNTS Intelligence
 2023-2024 Growth Corporates Working Capital Index:
 North America Edition, October 2023
 N = 244: Whole sample of North American CFOs,
 fielded March 9, 2023 – June 12, 2023

2023-2024

**GROWTH
CORPORATES
WORKING
CAPITAL INDEX**



PART IV:
**2024
OUTLOOK**

Nine in 10 North American Growth Corporates plan to access financing next year. Working capital loans, bank credit lines and corporate overdrafts comprise the bulk of solutions they intend to tap as their primary external capital sources.

Growth Corporates in North America plan to extend their use of external working capital solutions next year. As such, 62% of Growth Corporates in this region plan on using working capital solutions, with large shares planning to tap working capital loans, at 30%, bank credit lines, at 18%, and overdrafts, at 14%, as their primary solutions. Nearly one-third of Growth Corporates in North America are planning on accessing virtual cards next year, and the cards are intended to be the primary working capital solution for 4.9% of Growth Corporates.

Growth Corporates in this region primarily trust accountants for business capital advice, followed by bankers and working capital consultants. Analysis reveals that 67% of North American Growth Corporates trust accountants for external working capital advice, 53% trust bankers and 52% trust working capital consultants.

FIGURE 5:

Working capital plans

Share of top-performing firms that plan to take select actions in the next 12 months

	Share of North American Growth Corporates very or extremely likely to use a respective solution the most next year	Share of top-performing North American Growth Corporates very or extremely likely to use a respective solution the most next year	Share of top performers among North American firms planning to use a respective solution
• Draw against unused corporate credit line	2.0%	4.9%	60.0%
• Letter of credit/bank guarantee	5.3%	3.3%	15.4%
• Corporate/virtual credit card	4.9%	4.9%	25.0%
• Invoice financing/factoring	7.4%	11.5%	38.9%
• Third-party revolving credit facility	9.0%	9.8%	27.3%
• Overdraft from corporate bank account	13.5%	9.8%	18.2%
• Bank lines of credit	17.6%	18.0%	25.6%
• Working capital loan	29.9%	24.6%	20.5%

Source: PYMNTS Intelligence
2023-2024 Growth Corporates Working Capital Index: North America Edition, October 2023
 N = 244: Whole sample of North American CFOs, fielded March 9, 2023 – June 12, 2023



CONCLUSION

Growth Corporates in North America have been resilient in the face of the past year's economic uncertainty. These firms plan to increase use of external working capital to strengthen their positioning and face whatever will come next. This backdrop — one of continued economic uncertainty coupled with economic headwinds such as a slowdown of consumer spending, persistent inflation, real estate sector disruptions and high interest rates — explains how these Growth Corporates have used working capital in the past year: strategically, focusing on planned growth and expected cash flow shortfalls for all five segments. For next year, 9 in 10 Growth Corporates in this region plan to access external working capital solutions, highlighting the positive impact these solutions have on the financial and operational management efficiency of companies using them. Growth Corporates in this region also plan to increase their use of corporate virtual cards three-fold next year, which is likely to increase their operational efficiency as survey data shows a strong correlation between high operational efficiency for those companies and industries that use this solution. As the second highest-ranked region in the Growth Corporates WCI, with a score of 51, North American Growth Corporates are poised to better leverage external working capital solutions and continue to improve their operational efficiency.



METHODOLOGY

The 2023-2024 Growth Corporates Working Capital Index: North America Edition is based on a telephone survey conducted between March 9 and June 12 of 124 respondents holding the position of corporate CFO or treasurer at companies that Visa calls Growth Corporates — those generating revenues between \$50 million and \$1 billion. The report examines the working capital solutions available to Growth Corporates to raise short-term cash or credit, the preferred use of these proceeds and the impact these solutions can have on their operational efficiency and business performance.

ABOUT

DISCLAIMER ■

VISA

Visa Inc. (NYSE: V) is the world's leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network — enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world and is capable of handling more than 65,000 transaction messages a second. The company's relentless focus on innovation is a catalyst for the rapid growth of digital commerce on any device, for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce. For more information, visit www.visa.com, <https://usa.visa.com/solutions/visa-business-solutions.html> and [Visa Commercial Solutions: Overview | LinkedIn](#).

PYMNTS INTELLIGENCE

[PYMNTS Intelligence](#) is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists includes leading economists, econometricians, survey experts, financial analysts, and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multi-lingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

THE PYMNTS INTELLIGENCE TEAM THAT PRODUCED THIS REPORT

Karen Webster
CEO

Yvonne Markaki, PhD
Senior Analyst

Jorge Camilo Gaitán Ochoa
Senior Analyst

Scott Murray
SVP and Head of Analytics

Ozgun Avci, PhD
Senior Survey Designer

Javier Fik
Analyst

Harold Maldonado
Senior Writer

Eugenio Negrín
Analyst

The 2023-2024 Growth Corporates Working Capital Index may be updated periodically. While reasonable efforts are made to keep the content accurate and up to date, PYMNTS MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE CORRECTNESS, ACCURACY, COMPLETENESS, ADEQUACY, OR RELIABILITY OF OR THE USE OF OR RESULTS THAT MAY BE GENERATED FROM THE USE OF THE INFORMATION OR THAT THE CONTENT WILL SATISFY YOUR REQUIREMENTS OR EXPECTATIONS. THE CONTENT IS PROVIDED "AS IS" AND ON AN "AS AVAILABLE" BASIS. YOU EXPRESSLY AGREE THAT YOUR USE OF THE CONTENT IS AT YOUR SOLE RISK. PYMNTS SHALL HAVE NO LIABILITY FOR ANY INTERRUPTIONS IN THE CONTENT THAT IS PROVIDED AND DISCLAIMS ALL WARRANTIES WITH REGARD TO THE CONTENT, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND TITLE. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES, AND, IN SUCH CASES, THE STATED EXCLUSIONS DO NOT APPLY. PYMNTS RESERVES THE RIGHT AND SHOULD NOT BE LIABLE SHOULD IT EXERCISE ITS RIGHT TO MODIFY, INTERRUPT, OR DISCONTINUE THE AVAILABILITY OF THE CONTENT OR ANY COMPONENT OF IT WITH OR WITHOUT NOTICE.

PYMNTS SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, AND, IN PARTICULAR, SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFITS, LOSS OF REVENUE, OR LOSS OF USE, ARISING OUT OF OR RELATED TO THE CONTENT, WHETHER SUCH DAMAGES ARISE IN CONTRACT, NEGLIGENCE, TORT, UNDER STATUTE, IN EQUITY, AT LAW, OR OTHERWISE, EVEN IF PYMNTS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

SOME JURISDICTIONS DO NOT ALLOW FOR THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND IN SUCH CASES SOME OF THE ABOVE LIMITATIONS DO NOT APPLY. THE ABOVE DISCLAIMERS AND LIMITATIONS ARE PROVIDED BY PYMNTS AND ITS PARENTS, AFFILIATED AND RELATED COMPANIES, CONTRACTORS, AND SPONSORS, AND EACH OF ITS RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES, AGENTS, CONTENT COMPONENT PROVIDERS, LICENSORS, AND ADVISERS.

Components of the content original to and the compilation produced by PYMNTS is the property of PYMNTS and cannot be reproduced without its prior written permission.