MEDIA RELEASE

**Xero revamps Starter plan to support sole traders in a rapidly changing small business economy**

*Xero unveils new insights, payment and cash flow updates at its virtual event Xero On Air*

**Wellington — September 14, 2020** — Xero, the global small business platform, today announced that it is increasing the limits on its Starter plan, alongside improving the functionality of payments and insights tools, to help sole traders and new small businesses get started, manage their cash flow and grow during and beyond the pandemic.

The announcements were made during Xero On Air, a free online content series aired by Xero this week to connect, inspire and share information with its accountant and bookkeeper partners and small business customers around the world.

Xero has redesigned its Starter plan - tailored for new businesses and [sole traders/sole operators] - removing the limit on bank reconciliation and increasing the invoice limit to 20 per month, or approximately one per business day. The new plan will include the same powerful features existing Xero Starter plan users enjoy every day, including Hubdoc for automated document collection and management.

Digital transformation has driven new trends and the growth of many new small businesses, including an influx of sole traders such as tradespeople, freelancers and gig-workers who have taken advantage of evolving market dynamics.

Xero’s Starter plan aims to give life to those new small businesses starting out amid the COVID-19 pandemic and will support the green shoots of growth once each country moves into a recovery state.

There are already signs of growth across many markets around the world after initial dips. For example:

- **USA**: New business numbers are starting to flow again with more than 500,000 applications for an employer identification number since mid-March (Census Bureau).
- **Australia**: Over 150,000 new business ABNs created between May-July 2020 (ABR)
- **New Zealand**: The number of new company registrations in July 2020 was up approximately 20 percent year-on-year (Iillion).
- **UK**: Almost 200,000 businesses were formed from mid-March to mid-July and each month it has been on the rise (Companies House Data).

"History has shown us that following downturns there is a business resurgence, with some of the most challenging periods of history sparking incredible feats of creativity and ingenuity," said Anna Curzon, Chief Product Officer at Xero.
"We want to help these new businesses that are starting off now to be set up for a digital environment right from the start by lowering the barriers of entry."

“We also know that with COVID-19, being paid on time and controlling cash flow has become more important than ever. We want to do all we can to ensure businesses stay strong by providing deeper cash flow insights and creating seamless experiences to help them get paid faster."

**Improved predictive data and insights tools**

Xero Projects’ new profitability dashboard provides small businesses with an easier way to see and manage the profitability of each project. The dashboard shows the total profit margin, all work invoiced and costs associated with the project. It also highlights any outstanding invoices, as well as how the project is tracking against estimates, making it easier to identify which projects are the most profitable and which need tweaking.

Xero will also extend availability of its existing insights tools to all business edition customers to help them manage cash flow at crucial times. The short-term cash flow and business snapshot tools, initially extended to customers during COVID-19, will now be an ongoing feature on the platform. The short-term cash flow tool allows businesses to forecast their bank balance for the next 30 days based on their existing bills and invoices, while business snapshot gives accountants and bookkeepers high-level insights into critical business metrics at a glance.

Xero plans to introduce premium functionality for business snapshot and short-term cash flow in the future.

**Payments set up easily with Stripe and GoCardless**

Xero continues to work closely with global payments partners Stripe and GoCardless to create seamless experiences with more functionality to help businesses get paid quicker. Enhancements to the Stripe set up experience makes it faster and easier for any small business to create an account and accept card payments from Xero online invoices. Xero is also building a deeper integration with GoCardless to create a more seamless experience for small businesses to accept direct debit payments. The enhanced integration will be live later this year.

Additionally, enhanced integrations will soon be available with ecosystem partners PayPal and Square — making payments easy regardless of your preferred provider.

Using online invoicing and online payments in Xero is vital to getting paid faster and improving cash flow. Xero’s research has found small businesses that use online invoice payments can be paid up to 14 days faster than those who don’t.

Credit limits, a new feature introduced this year, allows businesses to quickly visualise the impact of extending credit to customers and define the level of risk they are prepared to take.

Credit limits have already helped thousands of businesses manage late payments or limit potential losses. Since launch in March, more than 8,000 customers have set over 45,000 credit limits for their customers. Xero will continue to enhance the functionality based on customer feedback.
"One of the secrets of being paid on time is to make invoicing and payment as easy as possible for you and your clients," said Amanda Aguillard, from Aguillard Accounting. "You can do that by automating the invoicing process and making online payments straightforward."

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**About Xero**  
[Xero](http://www.xero.com) provides a beautiful and easy-to-use cloud-based accounting software service for small businesses and their advisors around the world. Xero connects more than two million subscribers with an ecosystem of over 800 third-party apps and 200 plus connections to banks and financial service providers. The [IDC MarketScape](http://www.idc.com) recognised Xero as a Leader in the Worldwide SaaS and Cloud-Enabled Small Business Finance and Accounting Applications 2020 Vendor Assessment. On the 2020 Financial Times High-Growth Companies Asia Pacific list, Xero was the largest company by revenue to come from New Zealand or Australia. Xero has also been included in the 2020 Bloomberg Gender-Equality Index.