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## Innovation Is The Heart Of Our Service Promise!

Typically in the world of financial services it is assumed that whereas cutting edge technology can become the backbone of back office systems it is incompatible with a service proposition that is built on the strong personal relationship between client and financier. But times are changing and David Thomson, Chief Executive of Close Invoice Finance, has a radically different take on the “hi tech versus hi touch” debate. The company, which was recently crowned “Best Factoring and Invoice Discounting Provider” for the third consecutive year in the Business Moneyfacts awards 2008, prides itself on its first class client service but sees its bold and innovative approach to new technology as underpinning its competitive edge.

In recent years, the invoice finance sector has become a more competitive and challenging environment than ever before. Under these circumstances, few could afford to stand still and all the major providers have looked to harness the latest software as a means to gaining competitive edge and yielding efficiency enhancements. However, despite advances into e-factoring and improved back office functions, when it comes to the fundamental mechanics of invoice finance, only one provider, Close Invoice Finance, has been prepared to break the mould.

David Thomson explains: “When I joined Close, the market was pretty homogenous – with most providers competing on price. I felt sure that the market wanted something more and was confident that Close was a place where I could make a difference.”

Luckily Close Brothers, Close Invoice Finance’s merchant bank parent company bought into David’s vision, and after a £2 million investment in technology, ►

and 18 months in development, the company launched IDeal, its first to market invoice financing solution. The benefits of this investment have been significant not least the fact that so far it has generated an 18 months' competitive advantage for Close over the competition.

The award winning online invoice discounting solution which eliminates paperwork, removes the need for lengthy invoice listings and monthly reconciliations and enables user access to funds at the click of a mouse, is gaining new market share quickly. IDeal already boasts over 300 clients – with up to 30 more signing on each month since its introduction.

David comments: "It's a no brainer really for SMEs – they recognise the sense of realising the cash tied up in their sales ledger without having to deal with the red tape administration that comes with it" We consistently benchmark our service quality as part of independent customer satisfaction research – and the latest results have shown that 100% of those IDeal clients are willing to recommend the product.

Significantly, 30 per cent of new clients are being poached from Close's competitors. So one would have thought that a wave of second generation products would already be coming to market to tackle Close head on. But, it seems many factoring companies still don't see technology as a priority for their business and so far, IDeal remains unchallenged.

David states: "When we launched IDeal we expected and welcomed strong competition from the other major players in our field but so far no one has risen to the challenge. Naturally, there is a certain degree of inertia involved, but I think there's something deeper at play too and that many providers mistakenly believe that technology will actively detract from personal service."

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**David Thomson**  
CEO, Close Invoice Finance

Close strongly disagrees with this view and sees it as essential that technology is exploited to underpin "the personal touch if customers are to be retained going forward.

The company takes customer satisfaction levels extremely seriously, conducting regular independent audits of its performance relative to its competitors to ensure it stays head of the game. Currently Close scores 20% higher than the industry average in terms of quality of service delivery. This contrasts widely with Bank ratings which have slumped due in part, to their decision to offshore services to countries like India.

David adds: "The moment you stop giving the customer what they want, you stop being competitive. That's why we have committed to keeping our client handling teams based in the UK and equally why we've harnessed the power of technology to allow us to offer a more flexible approach to risk for our clients." ►

A key USP of IDeal is that it makes invoice discounting accessible for clients who would traditionally have been obliged to opt for factoring – giving it real stand out among brokers and advisers. The system is available for any business which uses an electronic software package and has UK sales of at least £200,000 per year. Once signed up, clients can access up to 95% of the value of the client's invoices at the click of a mouse – over 15% more than traditional facilities – because the whole process is transparent.

David Thomson says: "With a great team in place and a product that enables us offer the market a more flexible approach to invoice financing – just when banks are growing more reluctant to take on risk - we're optimistic about our prospects for the year ahead.

"By combining personal customer service with a forward looking approach to technology, we think we have hit upon a winning formula - and scooping the Business Moneyfacts Award for an historic third year running proves we must be doing something right. But there's no room for complacency and are already looking at how we can build on this success to enhance our proposition going forward." He concludes.

One thing's for certain, Close will be back to compete for Best Factoring and Invoice Discounting Provider for the fourth year running in 2009. ●

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