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Midlands businesses are defying the economic doom and gloom, says Simon Carter, Regional Commercial Director at Close Invoice Finance

Despite the threat of a global market slowdown, Close Invoice Finance market research shows that businesses in the Midlands are feeling surprisingly bullish about their growth prospects.



Simon Carter
Regional Commercial Director,
Close Invoice Finance

The statistics, which form the Small Business Finance Barometer, reveal that more than half (58%) of the SMEs polled expected their business to expand this year. Just six per cent believed that their business would contract or close down over the next 12 months.

Our data also suggests that although one in four small Midlands businesses considers the credit crunch to be a key issue, they don't feel that it is likely to impact directly on their growth plans in the near future.

This positive attitude towards the economic downturn is commendable and I am broadly encouraged by SMEs' dogged determination to keep their expansion plans on track despite the gloomy economic outlook.

However, a word of warning. With banks getting tougher on the credit they extend to growing businesses, many SMEs should look outside traditional finance routes to fuel their growth.

Interestingly, nearly one in five (18%) SMEs use bank loans as their primary source of working capital when they need investment finance, whilst less than one in ten (7%) of SMEs in the Midlands raise capital through invoice financing. ►

Until recently, invoice finance was considered primarily as a method for managing cash-flow, whereas when it came to sourcing finance for growth, businesses were limited to bank overdrafts, loans, venture capital or issuing stock.

Increasingly, this picture is changing and invoice finance, either employed alone or in conjunction with other trade finance routes, is becoming a force in corporate deal-making.

The invoice finance sector is already valued at £15bn and it is growing fast. Clearly, the benefits of choosing invoice finance over other methods are hitting home with growing businesses across the UK. And, in turn, this understanding has led many to realise that the way they source finance can really give them a competitive advantage, especially in a downturn.

For further information on Close Invoice Finance and our portfolio of products and services, contact us on 0800 220 257 or info@closeinvoice.co.uk
www.closeinvoice.co.uk ●

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