

HOW TO IMPROVE YOUR CASHFLOW

A GUIDE TO INVOICE FINANCE



WE BELIEVE IN **YOUR** BUSINESS

INVOICE FINANCE • EXPORT FINANCE • BAD DEBT PROTECTION

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FINANCIAL SERVICES

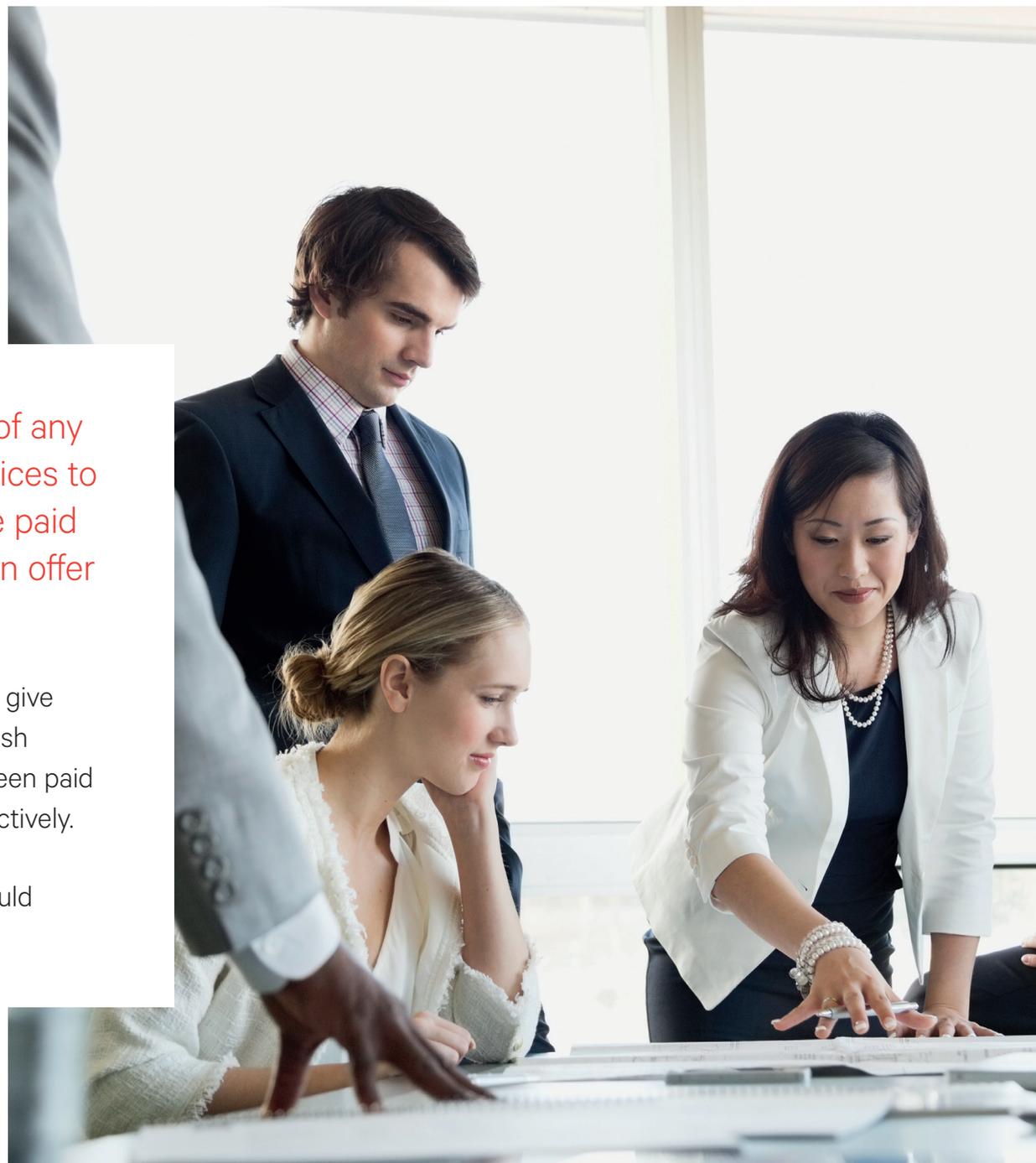


INVOICE FINANCE EXPLAINED

Managing cashflow is essential to the **success** of any business. If you issue invoices for goods or services to other businesses and find yourself waiting to be paid or managing late payments, **Invoice Finance** can offer many benefits to businesses.

If any of these situations sound familiar, invoice finance could give your business the cashflow injection it needs. By releasing cash against your outstanding customer invoices before they've been paid you can manage your cashflow, and your business, more effectively.

In our guide, we explain what invoice finance is and how it could benefit your business.



HOW DOES INVOICE FINANCE WORK?

There are two types of invoice finance products: **factoring** and **invoice discounting**, the biggest difference between them being who collects the customer payments. Each allows you to release a large proportion of an invoice's value within 24 hours of its issue. Then, once your customer has made their payment, the remaining balance is paid to you, minus any fees.

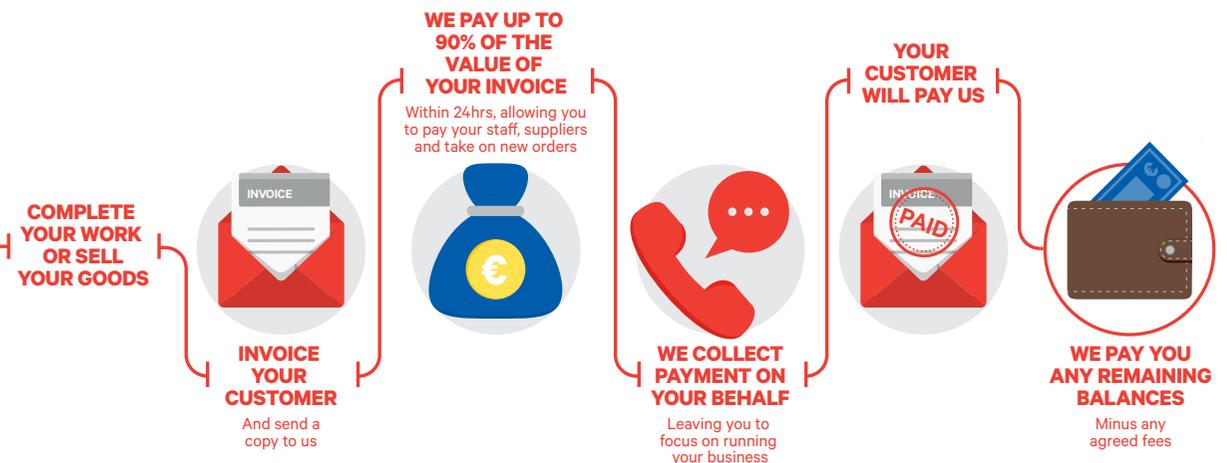
Many businesses that use invoice finance also add bad debt protection to make sure that they still receive payment if their customers can't settle their invoices. This is known as non-recourse factoring.

HOW DOES **FACTORING** WORK?

Factoring is an attractive option for smaller businesses, whose resource would be better spent on day-to-day activities. Because our dedicated credit control team collect your outstanding invoices, your time is freed up to concentrate on running your business.

HOW DOES **INVOICE DISCOUNTING** WORK?

Invoice discounting is similar to factoring, in that it gives you access to cash as you issue new invoices. However, a key difference is that you'll be responsible for collecting your payments, while your use of an invoice finance product will be kept completely confidential from your customers.



THE BENEFITS OF INVOICE FINANCE

There are many reasons businesses are increasingly turning to invoice finance.

Here are just a few



BOOST YOUR CASHFLOW WITHOUT THE NEED FOR DEBT

Because invoice finance is not a loan, you're not taking on any debt. This keeps your cashflow healthy.

MORE TIME AND RESOURCE TO FOCUS ON YOUR BUSINESS

If you choose factoring, you get a dedicated credit control service, allowing you to focus your time and energy on your business.

MINIMISE LATE PAYMENT AND BAD DEBT

To safeguard your business, you can choose to add bad debt protection. This is known as non-recourse factoring, where we take on your bad debt risk, unlike recourse factoring, where the risk of not being paid by your customers remains with you.

REALISE OPPORTUNITIES

With an improvement in cashflow you'll be in a better position to realise new opportunities, take on new orders or expand and invest in your business.

TAKE ADVANTAGE OF DISCOUNTS FROM SUPPLIERS

You will be able to take advantage of volume discounting deals with your own suppliers as you will be in a position to buy larger units or to take advantage of supplier discounts for early payment.

GET TO KNOW YOUR CUSTOMERS BETTER

We can give you useful information about the credit standing of your customers, which can help you to negotiate better terms with your suppliers. It also means you can take on better quality customers and improve your debt position between more customers instead of concentrated in just a few.

HELPING BUSINESSES WITH THEIR FUNDING

START-UPS

One of the main challenges for anyone starting a business is securing financing for their new venture. Invoice finance gives you quicker access to cash without worrying about building up debt. Also, because it's flexible, your credit facility can increase quickly to accommodate your growing sales, allowing you to build your business more easily.

BUSINESSES WITH GROWTH ASPIRATIONS

Without the necessary funding in place, expansion plans often stall. Invoice finance can turn your ambitions into reality, freeing up cash so you can invest or expand your business.

BUSINESSES ENTERING NEW MARKETS

While exporting can have significant benefits, selling goods or services to overseas customers can present a number of financial challenges. Invoice finance can help you overcome unpredictable payment cycles, giving you access to money tied up in invoices without having to wait for bills to be paid.





WHAT OUR CLIENTS SAY

ALAN CONNOLLY, OF ALLPRO SERVICES REQUIRED FUNDING TO GROW AND EXPAND THE BUSINESS:

“ Prior to working with Bibby Financial Services, our cashflow was under pressure due to long credit terms before we were paid. With an invoice finance facility in place, we now have a secure funding source to cover monthly overheads, allowing us to do what we do best and provide a tailor-made facility management service to our customers. ”

SAM DUONG, CEO OF MING FOODS LTD REQUIRED CASH TO GROW THE BUSINESS AND REALISE THEIR POTENTIAL:

“ In the past, it was tough to raise the capital we needed to grow the business. The team at Bibby Financial Services were able to step in when we needed them and our ongoing funding has brought us one step closer to achieving our goals. ”

OUR PRODUCTS AND SERVICES

Part of Bibby Line Group, Bibby Financial Services (BFS) is a leading independent financial services partner to over 10,000 businesses worldwide. We have over 35 years' experience, delivering tailored, flexible financial solutions to businesses across Europe, North America and Asia. With 40 operations in 13 countries, we provide specialist and adaptable trade, asset and working capital funding, helping businesses to grow in domestic and international markets.

The information provided in this guide has been prepared for general guidance and does not constitute professional advice. Businesses should seek professional advice before making any funding decisions.

If you would like to see how Bibby Financial Services can help your business needs, please get in touch with our expert team on:

 01 297 4911

 www.bibbyfinancialservices.ie

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