Strengthen Your Market Position with Invoice Discounting by Lee Simons

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Working with an expert advisor, invoice discounting facilities are the ideal solution for larger businesses and mid-sized companies with ambitious plans. Providing quick access to cash that is otherwise tied-up, it is an opportunity that is worthy of consideration for many organisations.

What is invoice discounting?

Providing a near immediate cash injection, instead of having to wait 30, 60 or even 90 days for payment, invoice discounting enables companies to make time critical business decisions without any financially limiting pressures.

By being able to focus on successful growth plans and respond to market and sector opportunities, the development for businesses working with these facilities can be rapid. Whether bringing a new product to market, financing an acquisition or merger or improving buying power ahead of your competitors, there are distinct advantages available.

How invoice discounting works

By taking advantage of expert knowledge in the market, companies can ensure only invoice discounting opportunities that work perfectly with their existing finance systems are presented. Control of invoicing and sales ledger is retained, allowing business agreements to remain confidential and customer relationships to continue their normal operation.

At the same time that clients invoice their customers, a copy is sent to the selected invoice discounting firm for payment. Upon receipt, the invoice discounting facilitator typically releases 80% of the invoice total. This is usually received within 24 hours, whilst the remaining balance is paid when the invoice has been settled in full, less associated fees.

Is invoice discounting right for you?

To ensure that invoice discounting is the most appropriate solution for your business, it is important that your individual financial needs are understood perfectly. As a rule, those companies selling products or services on credit, which restricts buying power, are best suited to this facility, as are those who have to retain high stock levels.

With a strong financial history and controls in place, and a mid to high turnover, an invoice discounting facility could be the best invoice finance solution. Increasing financial freedom, organisations selecting this solution find they can negotiate better discounts on purchases, receive early payment benefits and move more aggressively to take opportunities as they arise.

A personal relationship

Working with a company providing consistent and demonstrable commercial finance solutions is essential. An expert team provides commitment to engage with businesses and help UK businesses grow ever stronger. Key to the success is the personal relationship that is developed as your broker should look to understand your business and hence what will help you most.

Finding the best business finance solution is just the start though; it is also important that work continues to ensure it delivers on every level and at every step. From the first engagement and

throughout the relationship with the investor, relationships should be managed with experience, knowledge and a single contact point.

Invoice discounting can provide the key to unlocking growth for companies in all business areas, for expansion and increased buying power. Also allowing working capital to work harder and grow faster organically in line with sales, invoice discounting facilities are a great way to maximise cash flow.

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Lee Simons - About Author:
Lee is a financial expert writing for PS Finance, and advises on invoice factoring, asset based lending and a invoice discounting. You can read more at http://www.psfinance.co.uk

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