

A comparison of invoice finance solutions

Invoice finance typically comprises three main products – each with different features which can be tailored to the needs of an individual business.

To help you consider which one might be the most suitable for your business, here is an outline of the key features of factoring, invoice discounting and asset based lending:

Features		Factoring	Invoice discounting	Asset based lending
Suitable for:	Start-ups?	✓	✗	✗
	SMEs?	✓	✓	✓
	Corporates?	✗	✓	✓
Minimum annual turnover?		No minimum	£250,000	£1 million
Release funding from sales ledger?		✓	✓	✓
Release funds from additional assets?		✗	✗	✓
Cash advance within 24 hours?		Up to 90% of debtor book	Up to 90% of debtor book	Up to 90% of debtor book, however cash against other assets varies
Credit control service?		✓	✗	✗
Confidential?		✗	✓	✓
Funding grows in line with sales?		✓	✓	✓
Optional protection against customer protracted default or insolvency?		✓	✓	✓
Suitable for international trade?		✓	✓	✓

Other considerations

There is, of course, much more to consider when it comes to choosing an invoice finance solution for your business.

In addition to its features and how much funding the facility could help you to release, it's equally important to compare the level of service that different funders will provide, their experience in your sector and the cost structure to ensure your business ends up with the solution that will provide support over the short, medium and long term.

As an independent invoice finance broker, we have a proven track record of introducing businesses of all sizes and across multiple industries to the most suitable facilities.

Call us on 0800 9774833 or email info@hiltonbaird.co.uk to discuss your requirements with one of our team and discover how we can add value to your funding search.