

A comparison of invoice finance solutions

Invoice finance encompasses a range of cash flow solutions which can be tailored to the needs of an individual business. Here is an outline of the key features of the three main solutions:

| | Factoring | Invoice discounting | Asset based lending |
|---|--------------------------|--------------------------------|--|
| Suitable for? | ✓ | ✗ | ✗ |
| - Start-ups | ✓ | ✗ | ✗ |
| - SMEs | ✓ | ✓ | ✓ |
| - Corporates | ✗ | ✓ | ✓ |
| Minimum annual turnover? | No minimum | £250,000 | £1 million |
| Release funds from debtors? | ✓ | ✓ | ✓ |
| Release funds from tangible assets? | ✗ | ✗ | ✓ |
| Cash advance within 24 hours? | Up to 90% of debtor book | Up to 90% of debtor book | Up to 90% of debtor book Cash against other assets varies |
| Credit control service? | ✓ | ✗ (You manage your debtors) | ✗ (You manage your debtors) |
| Confidential? | ✗ | ✓ | ✓ |
| Funding grows in line with sales? | ✓ | ✓ | ✓ |
| Protection against customer protracted default or insolvency? | ✓ (Optional) | ✓ (Optional) | ✓ (Optional) |
| Suitable for international trade? | ✓ | ✓ | ✓ |

The flexibility of invoice finance when compared to more traditional funding means that solutions can be tailored in line with the needs of your business. For example, factoring is available on a confidential basis, allowing you to retain your credit control in-house if you prefer.

The best way to identify the **right solution** for your business with **your ideal funding partner** is to speak to an **independent broker**. If you would like to discuss potential funding options for your business on a no obligation basis, contact our expert team on 0800 9774833 or email info@hiltonbaird.co.uk.

Alternatively, get an [invoice finance quote](#) to discover how much cash you could access within 24 hours of raising an invoice.