

# Invoice finance *myths*

Although invoice finance has grown in popularity over the years, age-old misconceptions around the topic still exist, scaring businesses away from boosting their working capital. Here we dispel six common myths on this funding option...

## MYTH: It's a sign of trouble



*Reality:* The stigma once surrounding invoice finance has been eroded. Most companies nowadays use it in a positive way to boost working capital and grow their business. In fact, over 40,000 businesses in the UK are now using it to boost their cash flow.

## MYTH: Customers don't like it

*Reality:* Many businesses have no issue with suppliers using invoice finance, and it is often viewed as a positive in that it protects the supply chain. But if you are worried about disclosure, the product can be provided confidentially and your customers will have no idea.



## MYTH: It takes away control



*Reality:* Allowing funders to finance the invoice and manage the collections process is optional. Facilities can be tailored to your needs. For instance, by using invoice discounting, companies can still raise cash flow finance, manage collections, and maintain control over client relationships.

## MYTH: It's expensive

*Reality:* Invoice finance will most likely cost a bit more than traditional funding through a bank overdraft or loan, but it can have better cash flow benefits. It provides a great amount of flexibility and will the money you can access grows in line with your business.



## MYTH: It locks you in



*Reality:* Contracts lasting as little as 30 days are available, and it is also possible to opt for a flexible option where you can finance one-off invoices on an 'as needed' basis. By choosing individual invoices, cash flow can be better managed and companies do not have to fund their whole debtor book.

## MYTH: It's confusing

*Reality:* Invoice finance can seem complex but it doesn't have to be. There are so many options available. At Hilton-Baird we can help you to find the right funding solutions for your business. Call our team on 0800 9774833 or email [info@hiltonbaird.co.uk](mailto:info@hiltonbaird.co.uk) for information.

