



How to finance new and existing orders



The most suitable funding options to help businesses take on new orders whilst keeping cash flowing



Introduction

Landing a new order should always be a cause to celebrate, but for some businesses that trade on credit terms, what seems like a big win can quickly become problematic.

For these businesses, there are often a lot of costs to be met in fulfilling the order, ahead of getting paid by the customer. This could include the costs of material, labour and other day-to-day running costs.

Here, we will explore how businesses can fund the cash flow gap between fulfilling the order and getting paid.

Is commercial finance the best way to fulfil orders?

While commercial finance isn't essential to fulfil orders, a healthy cash flow is, particularly when you're taking a higher quantity and bigger orders than before. Healthy cash flow will allow you to take advantage of a variety of different opportunities without risking the financial stability of the business.

The right commercial finance facility will not only boost your cash flow, but should also support your business across the board, tying into your short, medium, and long term plans.

Fulfilling orders with an effective funding solution in place will allow you to take on more orders than you might be able to otherwise, and will also allow you to offer longer credit terms, as you'll already have the capital needed to complete the orders before the customer pays.

As well as increasing how competitive your business is, the right funding can also help your bottom line, as the increased cash flow may enable you to secure early payment discounts and negotiate better rates.



Solutions

Which funding solutions are best for fulfilling orders?

Invoice Finance

An invoice finance facility will release capital that would otherwise be tied up in invoices. It allows you to access up to 90% of the cash within 24 hours of an invoice being issued.

This means that you will have the funds you need to fulfil orders as soon as invoices are raised, and you won't have to wait for payment, which in some cases can take months. Once your client has paid the invoice, the lender will make the remainder of the total available to you, minus their fees.

Facilities grow in line with your business, as the more you invoice the more you can access, allowing you to take advantage of opportunities when they arise.

Invoice finance

“Invoice finance has been the ideal facility for us, helping to fund our cash flow and enabling us to grow at the rate we have. We couldn't be happier.”

Peter Doyle, Managing Director, NXP Europe Ltd

Trade Finance

If you rely on importing or exporting goods and materials internationally to fulfil an order, trade finance could be a good option for you.

Similar to invoice finance, trade finance allows you to release cash against invoices and also provides a bank guarantee that can give you and your suppliers and customers peace of mind. This makes it a great way to reduce risks as well as fulfil orders in a timely manner.

Trade finance



Asset Based Lending

With asset based lending, as well as releasing cash tied up in invoices, you can additionally access funding against a range of other assets on your balance sheet. These can include plant and machinery, equipment, stock and property.

This can be a great option if you need a significant cash injection and have a lot of money tied up in high value assets. There are no restrictions on what you're able to use this money for, making it a great choice for fulfilling orders.

**Asset based
lending**

“Our new facility is ideal for my type of business as the large orders can come unexpectedly, whilst they also vary in frequency depending on what season we are in. I now don't have to worry about not being able to pay my suppliers before receiving my own customers' payments.”

Phil Page, Managing Director, Logotek Promotional Merchandise Ltd

Sustaining rapid business growth

A metal fabrication and engineering company who were experiencing substantial and sustained growth approached Hilton-Baird Financial Solutions when their overdraft could no longer keep up with the speed of their expansion.

To maintain and increase their impressive sales figures, they knew a funding solution that would grow with them was required.

Introducing the ideal solution

Having already decided invoice finance was the way to go but unsure which of the many available options met their needs, the company came to us because of our proven track record in sourcing cash flow solutions for the SME market.

We got to know the business and its requirements before identifying that factoring would be the ideal solution, as it's tailor-made for growing businesses.

Through the facility, up to 90% of an invoice's value is released within just 24 hours of its issue. This effectively funds the cash flow gap between providing a service and getting paid, ensuring a healthy cash flow is maintained and that suppliers, staff, utility companies and mortgage providers can be paid.

Plus, with credit control provided as part of the facility, the business would have more time and resource to focus on their growing company.

With so many factoring providers to choose from, we used our specialist knowledge of the market to analyse the lenders and find the most suitable options for the client. We then introduced the client to the three most suitable lenders and, after weighing up the options, the client chose the funder they felt offered the best service and fee structure.

Why use a finance broker?

When it comes to commercial finance, the right option can be a game changer for your business.

An independent finance broker such as Hilton-Baird can save you time and help you secure the right funding options, discuss your requirements with you and introduce you to appropriate lenders.

Using our advanced finance knowledge and with over 20 years' experience, Hilton-Baird can help by introducing funding facilities that are well suited to your needs, giving you the confidence to go ahead with your application.

Here are just a few of the reasons to choose Hilton-Baird:

- We specialise in invoice finance and have extensive experience across the commercial finance market
- With over 20 years' experience, 100% of our clients say they'd recommend our services to other businesses
- We have access to decision makers at a large number of banks, independent funders and invoice finance companies
- We're wholly independent, meaning we only introduce the most suitable facilities away from external influences
- We're reputable: Authorised by the FCA, members of the NACFB and a UK Finance associate

To discuss your funding requirements and find the funding that's right for you, contact our team today:

**Call
0800 9774833**

**Request a call
back**

**Get an
instant quote**

“Contacting Hilton-Baird was the catalyst my company needed to grow. Their knowledge of the industry was second to none and helped find the perfect funder for me.”

Simon Powell, Managing Director, Astringo Commodities Ltd

