

ACCESS TO THE BEST-FIT FINANCE AND THE BEST FIT LENDERS IS VITAL TO BUSINESSES

Access to best-fit business finance products remains clunky and the pathways are limited. This is not good news for business owners or lenders alike and the knock effect is that the UK's productivity and growth is being thwarted. The good news, however, is that technology is trying to facilitate new ways to deliver improved access and when it does, it will permanently change the way that finance can be selected, approved and delivered.

Businesses want advice

There are various models for connecting alternative lenders to business borrowers, however the number of SME's that are seeking strategic advice to help grow their business is increasing. The solution lies in finding better ways to introduce business owners to the many non-high street bank providers. Therefore, the burden of finding the best-fit finance can be reduced significantly by engaging with organisations like Number Eight Business finance.

Limited Routes to Market

The current marketplace is underserved and despite the existence of several advisory-led intermediaries, it remains fragmented and relies heavily on a mixture of word-of-mouth and self-promotion. These organisations are few and far between and none have the huge budgets needed to advertise their services using a mixture of SEO wizardry.

Low Conversion Rates

Following a number of recent meetings with several prominent lenders, it is clear that the wheels are not turning in the right direction. For example, the majority of business owners want to work with people and want to form a long-lasting relationship that can ensure that their business finance interests are in good hands. Likewise, all the lenders that have been met with recently support an advisory-led introduction to a prospect as opposed to direct contact or lead received from an "aggregator".

Where are the Bank Managers?

There is no disputing that, back in the day, the local bank manger model worked and worked very well. In some cases, the bank manager became a friend of the family and became an integral part of the business in terms of advice given and funding provided. But these days have long since gone. Who or what now is filling the void?

Advisor-led Organisations leading the way

There has never been a better time for businesses to gain access to finance. However, it is vital that both the product and the lender is the best-fit for the business. The wrong match may cause funding difficulties and frustrations in the future. It is important that a combination of relationship management and credit skills are implemented at the beginning of any pathway to finance. The advisor-led organisations, like Number Eight, are currently leading the way to help business gain access to new flows of finance. These organisations are also ensuring that the lenders are being offered genuine, best-fit opportunities that are not only approved....but funded! ■