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It's the bleak mid-winter as cash crisis bites UK SMEs

Over 1.6 million UK SMEs will cut back spending on this year's office Christmas party according to latest research from Close Invoice Finance.

As the downturn bites and Britain's SMEs fight to survive appalling trading conditions, latest research has shown that over a third (1.6million* SMEs) will try to save money by cutting back spending on the office Christmas party. However it is not only office parties that are suffering, the days of the Christmas jolly could also be a thing of the past, with over a quarter (26%) admitting they will be reducing their spend on client entertaining this festive season.

Almost 50% (equivalent to 2.2m UK SMEs) questioned in the Small Business Finance Barometer, published by independent provider Close Invoice Finance, also admit market volatility has had an impact on their personal lives. The survey, which researched a representative sample of over 500 SMEs found that over 28% of participants stated that they now have difficulty sleeping with 19% admitting their personal relationships were under strain.

Most worryingly for employees, over 25% of SMEs stated that they would cut back on employee performance related bonuses – deemed a 'nice to have' in current market conditions.

Over a half of all SMEs questioned acknowledged that they were not prepared for the market downturn. This is equivalent to over 2.6 million businesses across the UK which do not have contingency plans in place to cope with the severity of the economic challenges faced. ►

* Figure extrapolated from the BERR statistics that calculates 4.7million SMEs in total in the UK. Barometer showed 34.1% of SMEs were to cut expenditure on the Christmas office party

David Thomson, Chief Executive Officer of Close Invoice Finance said:
“SMEs across the UK have had to cope with some of the toughest market conditions of recent times. It is no surprise that some of the ‘nice to haves’ such as entertaining and bonuses will be reduced as companies struggle to survive. Encouragingly, only 9% of respondents have suggested that redundancies may be necessary.”



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David Thomson
CEO, Close Invoice Finance

“In response to the pressures on cash flow management facing our clients and the increasing number affected by bad debt, we have upgraded our flagship invoice discounting product to include debt protection.

IDeal Protection Plus offers all the benefits of Close’s award winning funding solution, plus the extra piece of mind of that comes with knowing any bad debt is fully covered should any customers fail to meet payment terms. “We pride ourselves on responding quickly to our clients needs and our latest product is designed to help SMEs through the threatening recession.”

Find out more about Close Invoice Finance and IDeal Protection Plus at www.closeinvoice.co.uk ●