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Accountants Top In Advising Firms To Go For Growth

Nearly half of British entrepreneurs say their accountant is the first port of call for advice about funding and growing their companies, according to new research out today.

The **Small Business Finance Barometer**, published by Close Invoice Finance, part of leading financial group Close Brothers, ranks accountants as the preferred source of business advice over bank managers, other business owners, solicitors and business angels.

Over 43 % of the nation's business owners prefer to talk to their accountant when it comes to discussing financial issues and business growth. This compares to a quarter who visit their bank manager and one in five who seek guidance from fellow entrepreneurs.

Charles Tilley, Chief Executive at the Chartered Institute of Management Accountants (CIMA), comments:

"It's encouraging to see that SMEs are looking to their accountants for advice on how to grow their business. They have an immediate grasp of the issues and Chartered Management Accountants are particularly well equipped to deliver sustainable value, implement winning business strategies and drive business success."

That said, nearly a third of business owners believe that finance brokers and intermediaries could be doing more when it comes to recommending alternative ways to fund business growth. ▶

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Small businesses are expecting a bumpy ride in the months ahead as the credit crunch takes hold. More than a quarter of the firms surveyed by Close said their biggest concern for the year ahead was market volatility, followed by cash flow.

While 27% of business owners say they usually borrow from their banks to expand, many are anticipating that traditional funding routes could dry up as Bank's tighten up on their lending criteria.

Commenting on the findings, David Thomson, Chief Executive of Close Invoice Finance said. "Despite talk of a recession, the businesses we spoke to are very bullish about expansion – more than half

are expecting to see growth this year. Yet businesses recognise they need better guidance from their accountants and brokers if they are to achieve their ambitious targets in challenging economic climate."

Thomson continues, "Accountants are uniquely placed to educate dynamic companies on the full range of alternative funding options – such as invoice finance – currently available to their business. Invoice Finance is not a catch all solution but, given that funds released are effectively coming from within the company itself, rather than incurring additional debt, this route has compelling benefits for many SMEs both as a cash flow solution and as a real strategic enabler." ●



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