



Close Invoice Finance

Press Release

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SMEs' Recession Nightmare Continues

Two in five business owners are losing sleep over the economic crisis

A staggering 44% of small business owners, equivalent to 2,068,000* individuals, have admitted suffering sleepless nights worrying about the economic crisis according to new research from Close Invoice Finance (Close), part of the FTSE 250 merchant banking group, Close Brothers Group plc.

The latest Small Business Finance Barometer from Close, based on a survey of over 500 SME owner managers, also found that seven in 10 owner managers are significantly more stressed as a result of the economic downturn with almost half (43%) confessing it has had direct impact on their home life.

In the 2008 Close Small Business Finance Barometer, 13% of owner managers admitted that the downturn had had an adverse effect on their closest relationships. This latest research reveals this has more than doubled, with 30% of business owners now admitting relationship problems with their partner due to the economic crisis.

David Thomson, Chief Executive Officer of Close Invoice Finance said: "With the insolvency service reporting 5,055 new corporate liquidations in Q2 2009 – up 2.9% on the previous quarter** – it is no surprise that so many business owners are feeling the pressure. We continue to discuss the economic crisis in macro terms, ignoring the strain that managing a business through a downturn places on your personal life". ▶

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Chief Executive Officer,
Close Invoice Finance

* Figure extrapolated from the BERR 2008 statistics that calculates 4.7million SMEs in total in the UK. Figures on the number of SMEs in the UK provided by Department for Business Enterprise & Regulatory Reform <http://stats.berr.gov.uk/ed/sme/>.

** Figures from Insolvency Service Statistics (7th August 2009) <http://www.insolvency.gov.uk/otherinformation/statistics/200908/index.htm>

David continued: “For their own peace of mind, it is crucial that owner managers adopt a robust attitude to risk and consider how best to safeguard the long term health of their business during today’s difficult trading conditions. Cashflow management tools can, for example, help by providing protection against the negative consequences of late payment and bad debt.”

As the results underline, business owners are finding it increasingly hard to cope in today’s hostile economic environment. But, despite the challenging conditions, there are ways to mitigate business risk and secure funding if SME are prepared to shop around. Invoice finance is an ideal route to securing funding that allows companies to raise cash quickly and easily against their sales ledger, affording businesses a greater degree of flexibility, control over their cash flow and hopefully a restful night’s sleep.

For further information on Close Invoice Finance and our portfolio of products, contact us on 0800 220 257 or info@closeinvoice.co.uk. ●

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