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In his latest column,
Mike offers some
useful business
finance advice on
lending in an
unpredictable era

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LENDING IN AN UNPREDICTABLE ERA

In the commercial funding sector we hear lots of business stories (something we particularly enjoy) and increasingly varied reasons behind business loans – from start-up investment to working capital.

What we've also been hearing recently is hesitation about lending in Britain's unstable economy, so we wanted to share some insight to allay such fears.

1. THERE WILL ALWAYS BE LENDERS

Loans have been an essential part of business for hundreds of years and will continue to be.

With the vast range of lenders in the market, rather than thinking of a changing economy as something that eliminates lenders, think of it as swinging a pendulum towards a certain type of lender – perhaps from traditional banks to challenger banks; to independent, specialist or second and third tier lenders; or even wealthy individuals.

Regardless of where that pendulum stops, business loans are still viable.

2. TIGHTENED UP APPLICATIONS ARE A GOOD THING

Worried lenders and borrowers mean that a sound application is needed more than ever before.

But more evidence, more suggestions, more skill in presentation and a stronger business plan can only bring more clarity to your business – maybe pinpointing growth goals, perhaps prioritising assets or cash flow – but definitely rejuvenating your business to maximise the resulting funding.

3. LENDERS HAVE LEARNT THEIR LESSON

Ten years ago saw the UK in financial crisis. Banks have since ring-fenced operations – a regulatory reform to make the financial system safer, and one of many valuable lessons learnt which benefit borrowers today.

Lending may become more expensive (it may not!), but as the saying goes; "You can't put a price on safety"

IMPORTANT !

It's important that we continue to hear ongoing stories of businesses both large and small. Rather than economic worries preventing the next page, well-funded businesses should be thriving into their next chapter.