

Funding Streams: Finding the Perfect Match

Over forty growing businesses from across Milton Keynes and Bedfordshire joined a panel of funding experts at the Cranfield Innovation Centre offices on 1 October, to learn more about financing options for small and growing firms from both the private and public sectors.

Round Up:

Here are our key points from the event for SMEs looking to take the next step with their business. A full copy of the presentation from the event is available online at cranfieldtechnologypark.co.uk/funding

Bank Lending - Barclays

- Business optimism is on the up but firms still see the overall economic climate as holding back growth. 40% of firms are not using external finance and have no plans to do so, with many relying instead on capital reserves.
- In spite of media reports, Barclays is open for business, with more than £16bn of SME loans on its books

Start Up Loans

- Over 540,000 start-ups were established in 2013 but 64% of these firms fail within 24 months, primarily due to lack of funding
- The Government-established Start Up Loans Company provides support for businesses in the very early stages, when other sources of funding aren't available
- Start Up Loans offers £200-20,000 at 6% interest, as well as mentoring and offers including free office space and partnerships with business institutions

Velocity

- The SEMLEP-led Velocity programme provides the next level of support for SMEs, delivered in partnership with Buckinghamshire Business First as well as Northampton, MK and Bedfordshire Chambers of Commerce
- The programme provides revenue grants of up to £10,000, for initiatives which improve sales, increase productivity, enhance business processes and create/ safeguard jobs
- The application process is straightforward, with grants provided as quickly as 3-4 weeks

Innovate UK (Formerly the Technology Strategy Board)

- Innovate UK provides funding for a diverse range of business areas, with 78% of its resources going to SMEs
- SMART - small grants for businesses to develop ideas and bring them to market, offering up to £200,000. Firms must be UK based and have under 250 employees
- INNOVATION VOUCHERS - easily accessible £5,000 voucher, with applications assessed for eligibility then entered into a competitive draw

Crowd Funding

- The fast-growing Crowd Funding market has the potential to be a huge growth area for funding certain groups of SMEs. As well as equity, crowd funders can also provide loans and 'bid' for preferential interest rates
- The big pitfall to avoid is failure to meet interest payments, which will lead to rapidly rising rates and penalties.

Asset Finance

- Asset finance offers businesses the opportunity to fund critical infrastructure and plant for businesses.
- A key benefit is that no further security is needed beyond the asset itself, which frees other alternative assets (e.g property) to securitise other forms of finance, including bank loans. It also allows assets to be upgraded over time rather than investing capital in equipment which will become outdated and depreciate over time.

The Speakers:

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Autumn Seminars 2014

For more information on our Autumn events email Matt Lloyd at: info@cranfieldtechnologypark.co.uk

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