

## There are creative options by accredited institutions

merchant cash advance, unsecured loans, invoice discounting or asset finance?" Bowren asked

SMEs can go for unsecured SME loans that do not require them to own an asset – they do not need collateral.

"A business that urgently needs cash flow may consider this loan option. Lenders will base their decision on a business' credit report, income history and income potential. There are very definite advantages and disadvantages to unsecured SME loans that the business owner must thoroughly investigate first," Bowren said.

In SA, invoice discounting is a popular option for merchants.

"Companies with a consistent turnover of over R100 000, that have established supply chain structures and reliable systems for collecting payments are most likely to be suitable for invoice discounting. It is a great resource for an SME to continue operations, but it must be handled responsibly." –

*Fincheck*

