Able
Commercial Finance

CASE STUDY

REDUCING FINANCE COSTS AND PROTECTING CASH FLOW

WE BUILD RECRUITMENT

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>
> **Mike McNeill, CEO**



BACKGROUND

We Build Recruitment is a Manchester-based construction recruitment business that has been trading for seven years. Like many businesses in the sector, managing cash flow is essential, particularly when paying workers regularly while waiting for customers to settle invoices. When the business faced two significant financial challenges, CEO Mike McNeill turned to Paul Morgan at Able Commercial Finance for support.

THE CHALLENGE

We Build Recruitment was left with a substantial bad debt when a customer it had supplied labour to went into administration. The business needed to settle approximately £200,000 owed to a payroll provider, and We Build Recruitment had arranged a short-term loan through IWOCA to cover the liability.

Although the loan provided an immediate solution, it came at a significant cost, with repayments of approximately £15,000 a month putting considerable pressure on cash flow. At the same time, the business faced a second challenge with its long-standing invoice finance provider, Lloyds.

After six and a half years, a restructuring of Lloyds products meant that it could no longer provide the invoice finance and it informed We Build Recruitment that it intended to stop funding its invoices. With just 10 days' notice, the business faced the prospect of losing access to a vital source of working capital, potentially restricting its ability to operate and grow.

THE SOLUTION



Able Commercial Finance stepped in to help, and Paul Morgan's priority was to tackle the expensive IWOCA borrowing. Rather than simply replacing one loan with another, Paul arranged a combination of two facilities through Funding Circle and Fleximize, enabling We Build Recruitment to clear the original debt in full. The refinancing reduced monthly loan repayments by 50%.

The invoice finance challenge required an equally decisive response. With only 10 days to secure an alternative, Able worked quickly to arrange a replacement facility through We Do Business Finance, ensuring the business could continue accessing funding against its invoices.

The new facility provided the continuity and certainty the business needed – and Able is continuing to work with We Build Recruitment to secure even more competitive terms once the company's latest accounts are available.

THE OUTCOME

Across the two refinancing arrangements, We Build Recruitment is now saving approximately £5,000 every month, equivalent to around £60,000 a year in reduced finance outgoings.

Just as importantly, the business has retained access to essential invoice finance, removing the uncertainty surrounding its previous lender and giving We Build Recruitment greater confidence in managing cash flow.

For the business, the value of working with Able goes well beyond finding finance. Having used Able as his only commercial finance broker since starting the business, he sees him as a trusted adviser who understands both the challenges and opportunities involved in running a recruitment company.

As Mike McNeill, Chief Executive of We Build Recruitment explains: "We've been trading for seven years now, and I've only ever used one broker - whatever I need advice-wise, I go to Paul. I couldn't recommend him enough."

The experience demonstrates the value of having an independent commercial finance broker who can respond quickly, understand the bigger picture and find solutions that work for the business, rather than expecting the business to fit the lender.



Contact the team to find out more about specialist commercial finance support for recruitment agencies.

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