

New Davenham product to offer importers funding *and* logistics support

Leading asset-based lender and UK based commercial finance specialist Davenham has launched a groundbreaking new product, which it believes will deliver increased benefits to the importer. Known as Integrated Stock Funding (ISF), this latest addition to Davenham's already extensive portfolio of funding solutions from their Trade Finance division not only provides finance for import transactions, but also offers value-adding assistance with warehousing and logistics.

Aimed at SMEs looking to fund transactions of between £10,000 and £4 million, ISF has been developed in recognition of the fact that large retailers are increasingly looking to move the risk and responsibility for stock holding out of their business and back onto to the importer. At the same time, both retailers and suppliers are also more aggressively seeking to maximise their own margins, further squeezing those of the 'middleman'.

ISF helps the importer to overcome these issues. Delivered in conjunction with MAM Logistics, who have extensive experience in running the back office operations of various e-commerce websites, ISF provides a complete solution whereby Davenham can fund imports, hold and control stock and aid distribution to the end-user – in effect delivering support across the entire transaction. This full service nature also means ISF makes it easier than ever for importers to sell direct to consumers over the Internet, potentially offering them far greater margins than selling through a retailer.

In addition, thanks to the fact that ISF is closely tied to the relevant stock holding systems, Davenham is able to offer a higher level of funding against stock than would otherwise be possible. The increased awareness the company enjoys enables them to match funding levels to stock moving speed. Plus Davenham's security is "in the transaction" - meaning they can fund importers who perhaps do not have the adequate capital or security base to allow them to trade with traditional bank Letters of Credit.

Speaking of ISF, Davenham Trade Finance Sales and Marketing Director, Clive Naylor, said: "More and more large retailers are looking to importers to take the risks on goods and have stopped issuing strict purchase orders. This leads to the importers being overloaded with fixed costs for warehousing and distribution. ISF removes this rigid and frequently imposing cost

burden. It also takes away a large amount of administration such as determining the level of duty payable, and arranging freight and distribution. This leaves the entrepreneur free to concentrate on what they do best - finding and selling to customers.”

“Furthermore, as ISF funds on a transactional basis with fixed interest rates, the importer knows exactly what profit he or she will make. This is a particularly important consideration when interest rates are rising.”

“These benefits, combined with our ability to fund importers who may not be able to provide sufficient security to satisfy the banks, should ensure ISF is a highly popular product. It will facilitate deals that simply weren’t possible before.”

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