

# Bridging the opportunity gap



## Stanton house

### About Stanton House Group

Established in 2010, Stanton House is a specialist professional services and technology recruitment consultancy. Today, the business has 70 employees in six locations; London, Reading, Guildford, Edinburgh, Hong Kong and Chicago. The company delivers permanent and interim solutions, covering both specific projects and gap management, across the EMEA, APAC and NORAM.

### The challenge

Jo Finch, Finance Director at Stanton House Group, said: "Invoice discounting is a perfect match for recruitment businesses like ours, since it enables us to bridge the three month gap between paying interims and receiving payment from our clients. However, the experience we had with our previous funding provider's technology was that it was very old and clunky, leaving my team having to conduct laborious manual reconciliations."

Jo raised another important challenge that needed to be addressed quickly: "Within the recruitment sector, there are a growing number of external Recruitment Process Outsourcing

(RPO) providers whose function is to act as 'middle men', handling all or part of a company's recruitment processes. The RPO firms do not pay until they have been paid by the client and the related invoices are often treated as ineligible under an invoice discounting facility. Since this practice is growing in popularity among larger clients, it can result in a significantly reduced availability of working capital in relation to turnover, which in turn can severely hamper growth."

### Investec's solution

Investec met with Jo to understand more about the requirements of the business, delivering a £5m confidential invoice discounting line to meet Stanton House Group's growing working capital needs, supported by its Intelligent Cashflow system.

"Investec impressed us with their knowledge of our industry and took a commercial view in allowing the RPOs' 'paid when paid' invoices to be eligible for funding. Investec's technology platform was not only easy and intuitive to use, it also provides the real-time management information I need, so I know exactly where I am with our cash position. Their system completely eliminates the need for manual reconciliations, which is a considerable time saver."

"Our relationship with the Investec account managers is great and we are able to have open and pragmatic conversations. This came to the fore when the Covid-19 crisis struck and it was clear from our forecasts that we would not be able to undertake the key technology projects we had earmarked without a further timely injection of funding."

As an accredited lender under the Coronavirus Business Interruption Loan Scheme (CBILS), Investec delivered an additional £300,000 loan. The conversation in respect of putting the CBILS facility in place was very straightforward and the loan was delivered from end-to-end within the space of just four weeks.

## Outcome

Jo Finch concluded: "Our cashflow forecasts and sensitivity analysis highlighted that the strategic innovation that we had earmarked within our business plan would have to be put on hold, halting its development and implementation. The additional CBILS loan has enabled us to put this back on the table, liberating our existing cash resources for investment in a transformational technology project that will fundamentally shape the future of the customer experience for the recruitment industry in the UK. In combination, Investec and British Business Bank have enabled us to power our competitive advantage and to emerge fitter and stronger from the Covid-19 crisis."

Lyle Ammon, Regional Director at Investec said: "We recognise that sectors are ever evolving and that key to building long lasting relationships is having the agility to understand how these changes may affect our customers. Changing banks is always a big decision and companies need to feel that they have the full support of their funding partner. At Investec, building strong relationships with our clients is vital, along with ensuring that our experienced team are on hand when they're needed the most. We are proud to work with Jo, Nick and the management team to help them reach their goals."



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Jo Finch, Finance Director

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