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# Traditional vs alternative

## Why SMEs deserve more

Today's economy is built on speed, instinct and decisive action. For brokers operating at the front end of SME finance, that reality is felt every single day. Clients are not just looking for funding, they're looking for answers, certainty and pace.

Yet too often, the finance system that supports the economy is stuck in the past. Access to capital has always been the lifeblood of growth, but increasingly brokers are finding themselves caught between ambitious clients ready to move and traditional lenders who are unable, or unwilling, to keep up. This mismatch creates more than just frustration, it causes opportunities to be missed.

In today's economy, hesitation can be compared to loosing possession in the final third of a football match, the chance to win is gone before you've even had time to react.

This is where alternative lenders, like Reward Funding, step in to fill the gap. Traditional lenders see risk as something to avoid. We see it as something to understand. Where others see a red flag, we see an opportunity – if you know how to structure the deal right. That's a mindset built for growth, not caution.

### The growing disconnect brokers are navigating

For brokers working with clients in sectors unfairly considered high-risk, such as hospitality, securing funding from traditional avenues can be a huge hurdle. More and more, we're seeing a culture clash between traditional lenders and the fast-paced reality of running a business in today's climate. Whether it's demanding every single receipt before making a decision, or a reluctance to properly understand a business, the system presents unnecessary obstacles to funding.

It's the financial equivalent of playing against a team that refuses to leave its own half, cautious, predictable and difficult to progress with. While this type of approach may protect lenders, it certainly doesn't serve brokers or their clients.

### The problem with traditional lending

Banks have long been the first port of call for businesses seeking finance, and although they remain an important part of the funding ecosystem the landscape has shifted significantly. Since the 2008 financial crash, and more recently in shocks like COVID and global instability, risk appetite has hugely tightened. Add to this economic uncertainty, regulatory lending and stricter compliance frameworks, and it's clear that lending has become slower and less adaptable.

For brokers, this creates clear challenges. You are expected to deliver solutions in real time but are often reliant on institutions that are not set up to move at speed. Tighter compliance means longer approval processes, rigid policies lead to entire sectors being deemed too difficult to fund and slow turnaround times cause businesses to miss opportunities.

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The result is more than frustration, it's lost deals and strained client relationships. Imagine being asked to play a high-pressing, attacking game against a team that insists on just passing sideways. The intent is there, but the system in place doesn't support it.

### Alternative lending flips the status quo

Alternative lenders have emerged to meet the needs of businesses overlooked by traditional finance.

We know alternative lending is about more than speed. It's about alignment with how brokers actually work. This means decisive underwriting, tailored structures, sector openness and a certainty around execution. We believe in the philosophy that funding should move at the speed of opportunity.

For brokers, this provides something increasingly valuable, opportunity. When you bring forward an opportunity, timing is everything. The ability to move quickly and structure a deal can be the difference between completion and collapse. It's about playing on the front foot, reading the game and acting decisively.

### Giving brokers and SMEs a stronger platform

In an increasingly automated world, there is a tendency to default to systems and models. Whilst these have their place, they are not a substitute for judgement. The best brokers know this, as do the best lenders. Understanding a deal requires context, experience and instinct. It's about the ability to see beyond the surface and recognise potential where others may not - not too dissimilar from spotting a run before the pass is made. If you wait for everything to be perfectly in place, you're already too late.

The role of the broker has never been more important, but they need lenders who can operate at the same level. Traditional finance will continue to play a role, but it is no longer the only option in a market that demands speed and flexibility. When an opportunity presents itself, brokers need funding partners who are ready to move.

Stand S39

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