

Merchant Capital and Discovery Insure partner to help SMEs

Merchant Capital has partnered with Discovery Insure to provide SMEs with working capital to assist with cash flow.



Image supplied

Successful applicants will be able to use these funds to meet their business requirements, including paying their insurance premiums. Discovery Insure clients can also receive up to 50% cashback on their business insurance premiums while remaining adequately protected.

SMEs that qualify for the Merchant Capital cash advance will be able to get funding of up to 80% of their monthly turnover generated from debit or credit card sales. This will depend on their profile and how their turnover has been affected by Covid-19, says Anton Ossip, CEO of Discovery Insure.

“Businesses are facing increased challenges as a result of the Covid-19 pandemic. Many of them have seen a reduction in sales, leading to loss of revenue – especially for SMEs. That is why we give our clients access to capital to assist them during this difficult time,” said Ossip.

“Around 80% of small to medium-sized enterprises may not be able to survive a lack of turnover for three consecutive months. SMEs need insurance that is affordable enough to sustain business operations during this challenging period,” he said.

Dov Girnun, CEO of Merchant Capital, says successful applicants would get access to funds in as little as 48 hours, with repayments based on a set percentage of debit or credit card sales in future months to provide for flexibility during periods of low turnover. SMEs can then access additional capital once they have repaid 70% of the cash advance.

“Covid-19 has caused the revenue of many good businesses to decline sharply, so the Merchant Capital product provides much needed quick and easy access to working capital at this time,” said Girnun.

A rapid response survey conducted by Stats SA during the lockdown reported that almost half of responding businesses (47.9%) had temporarily closed their doors, and nearly one in 10 had ceased trading. Only half expected their workforce size to stay the same, and five in six businesses (89.6%) had experienced a drop in turnover.

“Merchant Capital is extremely excited to be a partner in Discovery’s innovative Shared-value Insurance Model. The enhanced product offering is aligned with our founding principle of providing our clients with real value solutions that evolve according to the changing business environment,” said Girnun.

The Discovery Insure partnership is the latest in a series of initiatives by Merchant Capital to support small businesses during the Covid-19 pandemic.

For more, visit: <https://www.bizcommunity.com>