

## **Your business can receive cash immediately by factoring...**

### **Why Factor?**

Small and mid-market companies have difficulties in obtaining traditional business loans, especially when there is limited collateral. The result is that businesses have difficulty waiting 30, 60 or 90 days to receive payments from customers and clients.

There are sources of working capital out there for these businesses. Companies with outstanding accounts receivables are able to factor (basically, sale the receivables) those receivables and receive cash immediately after the service is performed. However, finding the right factor is a time-consuming and often in-efficient process. The factor (company that purchases the receivables) that a company uses must be one that offers the most advantageous fee structure, level of experience and client service. Choosing the wrong factor can be detrimental to a business and may lead to poor cash flow, an administrative problem and loss of customers and clients.

### **Other Benefits of Factoring**

#### **Immediate Cash for Business**

With cash in hand, the business will have funds to re-invest, re-stock inventory, fill pending purchase orders, pay taxes on time, meet payroll and take advantage of growth opportunities.

#### **Limited Documentation**

Because factoring is not a loan, documentation is much less than that of a loan. Also, tax returns and financial statement are often not required. And there are no long term contracts to sign.

#### **Outsourced Credit and Collection**

By Factoring, the receivables now belong to the factor, who is responsible for managing the receivable, including credit and collection. The factor is an expert manager of receivables. This enables company management to remain focused on production and service.

#### **Owner Does Not Give Up Equity**

By raising working capital through factoring, the company may avoid issuing equity to outside investors to obtain working capital. Likewise, as factoring is not a loan, the company will not incur any additional debt.

### **Industries Frequently Requiring Factoring Services**

*Factoring Works for Companies in Most Industries, including:*

Staffing Companies

Service Companies

IT Companies

Trucking and Transportation

*And Others*

Construction

Medical

Telecommunications

Distributors

Government Contractors

Health Care

Manufacturers

Printers