



Top 10 Benefits Of Factoring Invoices

1. Fast Access to Cash

The factoring process is quick and easy with funds provided within 24-48 hours on approved invoices. The initial setup averages 5-10 days from receipt of the factoring application and supporting documentation. That's lightning fast compared to the weeks and months it takes most banks to decide on business loans.

2. Cash Flow Without Debt

Since factoring is not a loan it doesn't add to the liabilities on your balance sheet. That means no monthly loan payments and a clean balance sheet.

3. Flexible Terms

There are no long term contracts, minimums, or maximums with many of today's factoring programs. Pick and choose how often and what invoices you want to factor. Factoring is designed to grow with you so as sales increase so does your access to funding.

4. Reasonable Factoring Fees

The cost of factoring invoices has come way down over the years with advances available up to 95% and fees as low as 1.5%. The fees vary by industry, volume and number of invoices, advance rates, customer creditworthiness, and how long it takes customers to pay.

5. Stay In Control

You need cash, not a boss. Factoring companies don't dictate how you spend the funds. There are no requirements to buy equipment or other assets.

6. Relieve Stress

No more waiting on your customers to make payments so you can make yours. Pay bills, meet payroll, and remit taxes on time without worrying about late fees or damaged credit.

7. Increase The Bottom Line

Many companies use factoring to increase profits or fund growth. Take advantage of early payment discounts, negotiate bulk discounts from suppliers, increase inventory for large orders, or add the staff and overhead required to fund expansion. When structured thoughtfully it is possible to use factoring to either save or make money far in excess of the factoring costs.

8. Strong Financials Not Required

You don't need great credit, years in business, or a long strong financial history to qualify for factoring services. The factoring company looks to the strength of your customers paying on the invoices, rather than you. That is good news if your credit or business has hit a few bumps in the road as you try to build (or re-build) your business.

9. Confidently Extend Terms to Customers

Increase sales with the ability to offer credit terms to new or large customers without hurting cash flow. Plus the factoring company will help you underwrite your new or existing customers ability to pay so you can avoid extending terms to high risk candidates.

10. Professional Receivable Management

Save time, reduce in-house expenses, and improve the turn time on your receivables with professional management. Factoring companies will skillfully handle the paperwork, processing, headaches, and collection of payments on your invoices.

By not increasing debt and freeing up much needed cash, it's easy to see why so many businesses are using factoring to pay bills, fund growth, increase sales, meet payroll, maintain a good credit rating, or take advantage of early payment discounts.