

# HOW TO IMPROVE YOUR CASH FLOW

A GUIDE TO FACTORING



WE BELIEVE IN **YOUR** BUSINESS  
ASSET BASED LENDING • FACTORING • TRANSPORTATION FINANCE

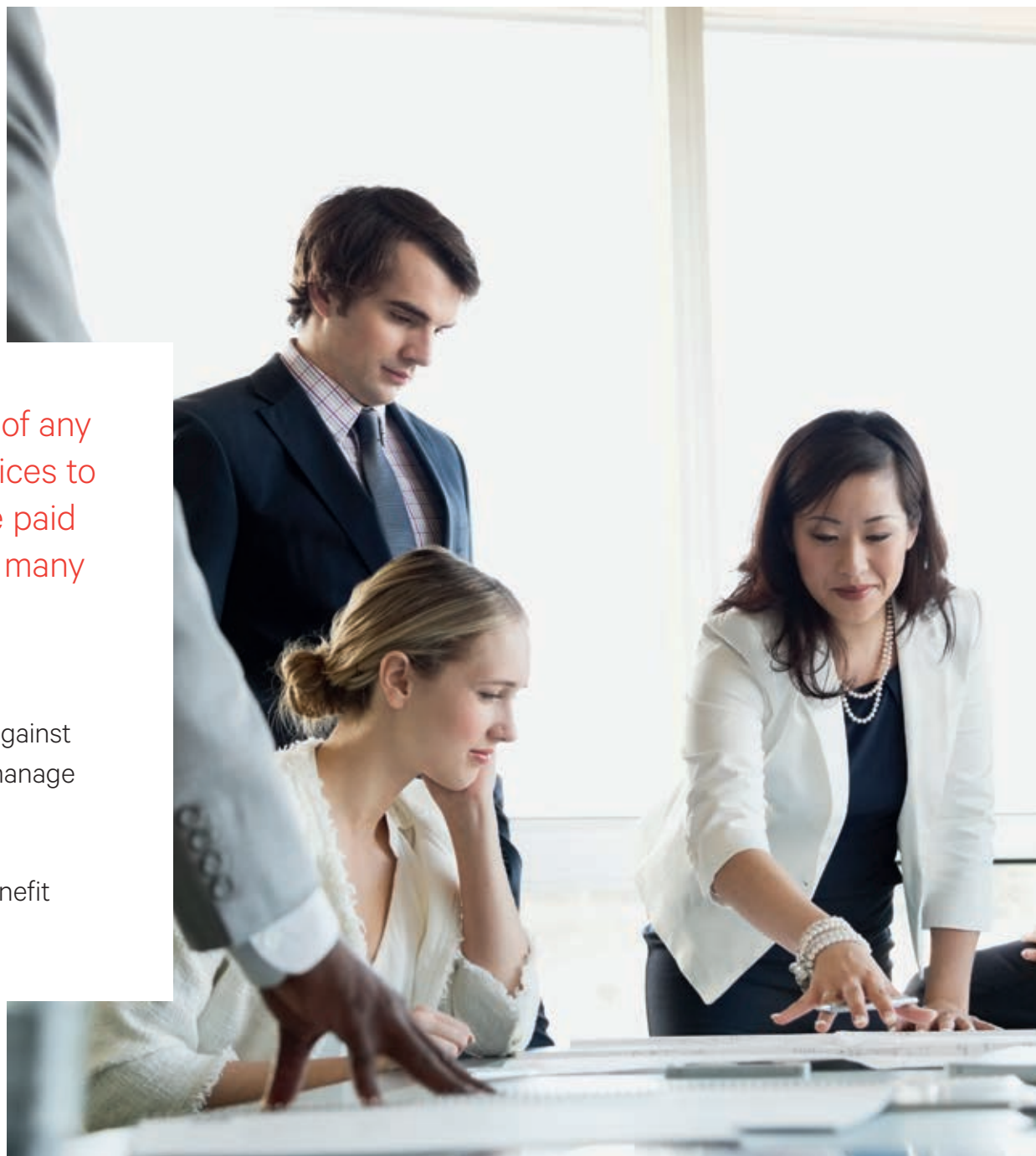


# FACTORING EXPLAINED

Managing cash flow is essential to the **success** of any business. If you issue invoices for goods or services to other businesses and find yourself waiting to be paid or managing late payments, **factoring** can offer many benefits to your business.

If any of these situations sound familiar, factoring could give your business the cash injection it needs. By releasing cash against your accounts receivable before they've been paid you can manage your cash flow, and your business, more effectively.

In our guide, we explain what factoring is and how it could benefit your business.



# HOW DOES FACTORING WORK?

Factoring allows you to receive an advance against an invoice's value within 24 hours of its issue. Then, once your customer has made payment, the remaining balance is paid to you, less any agreed-upon fees.

As part of factoring, some businesses also add bad debt protection to make sure that they still receive payment if their customers can't pay their invoices due to financial inability to pay. This is known as non-recourse factoring.

## HOW DOES FACTORING WORK?

Factoring is an attractive option for smaller businesses, whose resources would be better spent on day-to-day activities. Because our dedicated team manages your accounts receivable, your time is freed up to concentrate on running your business.



# THE BENEFITS OF FACTORING

There are many reasons businesses are increasingly turning to factoring.

Here are just a few



## BOOST YOUR CASH FLOW WITHOUT THE NEED FOR DEBT

Because invoice finance is not a loan, you're not taking on any debt. This keeps your cash flow healthy.

## MORE TIME AND RESOURCES TO FOCUS ON YOUR BUSINESS

Full accounts receivable management support service allows you to focus your time and energy on your business.

## MINIMIZE LATE PAYMENT

With factoring you receive funding for your accounts receivable within 24 hours of invoicing your customers. This allows you to give your customers the longer payment terms they want without jeopardizing your business's cash flow.

## REALIZE OPPORTUNITIES

With an improvement in cash flow you'll be in a better position to realize new opportunities, take on new orders or expand and invest in your business.

## TAKE ADVANTAGE OF DISCOUNTS FROM SUPPLIERS

You will be able to take advantage of discounts with your own suppliers as you will be in a position to place larger orders or to take advantage of supplier discounts for early payment.

# HELPING BUSINESSES WITH THEIR FUNDING

## START-UPS

One of the main challenges for anyone starting a business is securing financing for their new venture. Factoring gives you quicker access to cash without worrying about building up debt. Also, because it's flexible, your credit can increase quickly to accommodate your growing sales, allowing you to build your business more easily.

## BUSINESSES WITH GROWTH ASPIRATIONS

Without the necessary funding in place, expansion plans often stall. Factoring can turn your ambitions into reality, freeing up cash so you can invest in or expand your business.

## BUSINESSES ENTERING NEW MARKETS

While exporting can have significant benefits, selling goods or services to overseas customers can present a number of financial challenges. Factoring can help you overcome unpredictable payment cycles, giving you access to money tied up in invoices without having to wait on payment.





## WHAT OUR CLIENTS SAY

**TRENT VALLADARES**, OWNER AND CEO OF AUGUST ACCESSORIES REQUIRED CASH FLOW TO GROW THE BUSINESS AND **REALIZE THEIR POTENTIAL:**

“ We turned to Bibby Financial Services during a time when banks were not lending, and when they did lend, it came with very strict regulations. Their support has been a big part of our success, and as we grow our business, we trust that they will be there for every step. ”

**SHIRISH MODY**, CEO OF HOMELINE WANTED TO **GROW THE COMPANY** TO A MULTI-MILLION DOLLAR BUSINESS:

“ When we meet with potential new business, we tell them that we have financial support from an international conglomerate. The relationship with Bibby Financial Services allows us to take on additional business much easier than it would be working with a traditional bank. ”

## OUR PRODUCTS AND SERVICES

We provide innovative, tailored funding solutions to small-and medium-sized businesses with a wide range of needs, including cash flow funding, new equipment purchase, growth and expansion, management buy-ins and buy-outs, refinancing, corporate restructuring and mergers and acquisitions.

The information provided in this guide has been prepared for general guidance and does not constitute professional advice. Businesses should seek professional advice before making any funding decisions.

If you would like to see how Bibby Financial Services can help your business needs, please get in touch with our expert team.

 (877) 882 4229

 [www.bibbyusa.com](http://www.bibbyusa.com)

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