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## FINANCING YOUR STAFFING AGENCY

As a staffing agency owner, your biggest concern is making sure your employees get paid on time - always. In this article, we'll discuss a tool that will help you get the funds to meet payroll every time. We'll also talk about a financing tool that will let you take on new contracts, even those that you think are too big and can't possibly afford to win. This financing tool is easy to qualify for (it's NOT a business loan), can be set up in days and can give you all the necessary funding your staffing agency needs.

This tool is called invoice factoring, and also referred to as receivable factoring. This financing is not offered by a bank, but rather by a factoring company.

If you are like most agency owners, your problem is not lack of work or customers. I am sure you have plenty of both. Your biggest problem is that your customers take between 30 and 60 days to pay their invoices. But, your employees need to be paid weekly (or bi-weekly). And unless you have a fat bank account, the math does not work. Sooner or later, you'll run out of money.

But what if you could eliminate slow paying clients? No, I don't mean that you should stop doing business with them. I mean, what if you could turn them into quick paying clients? What would happen to your business if every client was guaranteed (yes, guaranteed!) to pay you in 2 business days? How many of those clients could you take?

Let me have a guess. You could take as many of those clients as you could get your hands on.

By factoring your staffing agency receivables, you can turn your slow paying invoices into quick paying invoices. The process is simple:

1. You do your work, as usual. You bill your customer but then submit a copy of the invoice to the factoring company for financing
2. The factoring company provides you an immediate advance on 90% of the invoice. You can use that money to meet payroll and pay expenses
3. The factoring company waits to get paid by your customer
4. Once they are paid, they rebate the remaining 10%, less their fees

The main requirement for factoring is that you do business with good paying customers. If your customers pay regularly (but slowly) you can almost always qualify. And as opposed to a business loan, your personal credit is usually not an issue.

So, if you own a growing staffing company, be sure to consider invoice factoring.

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