



THE RIGHT FINANCING FOR YOUR BUSINESS

One of the biggest challenges for business owners in the USA and in Canada is finding and securing the right type of financing for their businesses. Traditionally, business owners flock to banks when they needed business financing. However, the majority fail to get the business loan because they did not meet the bank's tough lending standards.

As a rule, banks require that you have an extensive and solid business plan and countless financial projections. And if you are already in business, the bank will need three years of profitable operations before they'll consider lending you the money.

But don't be discouraged. If you own a business that is in operation you may have another option. This option is called invoice factoring.

But invoice factoring is not for everyone. It can only be used by businesses that are already in operation and sell to commercial or government customers. However, if you qualify, invoice factoring can be a lifesaver.

If you are like most business owners, waiting 45 to 60 days to get paid by your clients can be pretty hard. Especially because you still have to pay rent, suppliers and salaries while you wait to get paid. Factoring can eliminate the wait and get you paid in little as 2 days. This gives you the necessary liquidity to pay suppliers, rent and salaries. More importantly, it gives you the liquidity to grow your business.

How does it work? Simple. The factoring company buys your invoices and pays you cash for them. They wait to get paid by your customer while you get paid up front. As opposed to business loans, invoice factoring is easy to obtain. The biggest requirement is that you do business with reputable clients.

Factoring works well with software companies, manufacturers, distributors, staffing agencies, trucking companies and many other businesses. If your business needs financing, and you work with reliable clients, be sure to consider invoice factoring as your financial solution.

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