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## TRUCKING FREIGHT? HOW TO GET TRUCK LOADS OF FINANCING WITH FACTORING

As a trucking company owner you are very aware that transportation companies are quite demanding when it comes to cash flow. They need regular cash to be able to meet all the ongoing expenses. As long as cash is coming in at a nice rate, your trucking company operates like a well-oiled machine. But if there is a hiccup in the cash flow, the well oiled machine starts creaking. And if there is a major cash flow problem, gears start flying all over the place and the so-called well oiled machine comes to a grinding stop.

What is the biggest source of cash flow problems for small and mid sized trucking companies? Slow paying clients. Clients that take up to 60 days to pay their freight bills. Although large trucking companies can certainly handle waiting – small trucking companies with few power units usually cannot afford the wait. As an owner, you need the money and you need it now.

Is the solution to turn away slow paying clients? Absolutely not. That would be business suicide. The solution is to eliminate the wait by financing your freight bills using freight bill factoring.

The concept behind factoring is very simple. Factoring companies provide you with cash for your freight bills. Usually in 24 hours or less. You get immediate funding while the factoring company waits to get paid. With factoring, you get immediate money for your slow paying freight bills, which allows you to pay drivers, maintain power units and buy fuel.

Factoring is very easy to qualify for and very common in the trucking industry. Most trucking companies can easily qualify since the main requirement is that they do business with good (although slow) paying clients. It allows you to easily do business with clients that pay in 30 to 90 days and eliminates the stress of having to wait to get paid.

How does freight factoring work? It's simple:

1. You deliver the load and submit copies of the documents to the factoring company
2. The factoring company advances you about 90% of the freight bill in 24 hours (the remaining 10% is used to cover billing disputes). You get money almost immediately
3. Once the factoring company is paid by the client, the remaining 10% (less a small fee) is rebated to you

As you can see, factoring eliminates the wait to get paid and gives you the cash you need to run your trucking company.

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