

Title:

Factoring and Purchase Order Financing in Canada

Word Count:

357

Summary:

Do you own a business in Canada? Then you know how hard it can be to find business financing. Read this article to learn about factoring and po financing - two easy to obtain business financing tools.

Keywords:

factoring canada, canadian factoring, factoring , invoice factoring, factoring financing

Article Body:

There was a time when obtaining business financing in Canada was very hard. But this is changing as small business financing companies are moving into an area previously dominated by large banking institutions.

As most business owners know, qualifying for a business loan or a line of credit is very hard. Bank lending criteria is so strict that few companies ever manage to get any financing. But that is changing.

If you own a company that sells goods or services to other businesses (or the government), then there are two financing options that are available to you. They are invoice factoring and purchase order financing.

Are your clients taking up to 60 days to pay their invoices? Consider invoice factoring.

Selling to mid size and large companies is great, as they can provide you with reliable and steady business. However, their payment terms are always challenging. They usually demand the right to pay in up to 60 days. In the meantime, you must cover paying rent, salaries and suppliers. This can easily be fixed by factoring financing. Factoring can eliminate the 60-day wait and get your invoice paid in 2 days. The process is simple, you sell your invoices to a factoring company, who pays you up front for them (less a small fee). You get your money up front, while the factoring company waits to get paid.

Need money to pay your suppliers? Consider purchase order financing.

If you sell products as a reseller or wholesaler, then your biggest challenge is getting the financing to pay your suppliers. In this case, purchase order financing may be the right solution for you. Purchase order funding provides you with the necessary funds to cover your supplier expenses, allowing you to fulfill the order and deliver to your clients. The transaction is then settled when your client pays their invoice and the collateral is the purchase order from your client.

Conclusion

Both factoring and purchase order funding are easy to obtain and can be set up in days. The biggest requirement is that you own a profitable company and that you do business with reputable clients.