

Title:

Are you a Freight Broker? Learn How to Grow by Financing your Freight Bills through Factoring

Word Count:

357

Summary:

Are you waiting up to 90 days to get your freight bills paid? Learn how factoring financing can help you get paid in one day.

Keywords:

freight bill factoring, freight factoring, trucking company factoring, freight broker factoring

Article Body:

Running a freight brokerage can be very profitable. Although being a freight broker can be very rewarding, financially speaking, it can also be very challenging. Especially since drivers depend on you to pay them quickly. And many times, your clients make you wait 30 to 60 days before they pay you.

So you have a challenge. Your drivers want to get paid quickly but your clients want to pay slowly. The math doesn't work. Unless you have a nice cash cushion in the bank, paying your drivers will be a problem. And trying to get bank financing will get you nowhere. Banks always provide financing based on your past history. What if you are a new or expanding freight broker?

A better solution is to finance your freight bills through freight broker factoring. Freight factoring provides you with immediate money for your freight bills, giving you the necessary funds to pay your business expenses and most importantly - your drivers. And, as opposed to business loans, freight factoring is easy to obtain. While banks usually look at your past history to make their credit decisions, factoring companies look at your future potential. The main qualification requirement is that you do business with credit worthy clients that pay on time.

If you are a freight broker, factoring your freight bills may be a little bit different from traditional factoring. Most factors will team up with you to find a solution to pay your drivers on time, since this is essential. Others may even pay your drivers on your behalf, helping you handle back office tasks.

Freight broker factoring works as follows:

1. Once the freight has been delivered, you send copies of the documents to the factor
2. The factor advances you up to 100% (less fee) of the freight bill
3. You get immediate use of funds, while the factor waits to get paid
4. Once the client has paid, the transaction is settled

One of the big advantages of factoring is that it is easier to get than a business loan. And, as opposed to business loans, factoring financing grows with your business. The more you invoice, the more financing you qualify for.