

Title:

Factoring Your Way To Liquidity

Word Count:

465

Summary:

There are various types of factoring available. These factoring can be in any industry viz. account receivable factoring, asset based lending, business loans, construction factoring, credit card receivables factoring, distributors factoring, equipment, hard money loans, invoice factoring, manufacturing, medical factoring, purchase order financing, real estate lending, staffing, systems, technology, trucking, verdict funding, wholesalers, etc.

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Keywords:

Factoring Services, Invoice Factoring, Invoice Discounting, Factoring, Accounts Receivable Factoring

Article Body:

There are various types of factoring available. These factoring can be in any industry viz. account receivable factoring, asset based lending, business loans, construction factoring, credit card receivables factoring, distributors factoring, equipment, hard money loans, invoice factoring, manufacturing, medical factoring, purchase order financing, real estate lending, staffing, systems, technology, trucking, verdict funding, wholesalers, etc.

Various agencies provide all these types of factoring. Usually their turnaround time is 24 hours. They provide exclusive online and paperless factoring solutions to the small and medium sized businesses. These agencies either provide stated rates for factoring of invoices of a particular amount or they offer a free invoice-factoring quote. Thereafter these agencies approach the factoring companies that purchase the creditworthy accounts receivable at a small discount and convert the invoices in to cash.

With the help of these factoring agencies cash is received in mere 24 hours and no debt is created. Since there is no debt created it increases your credit worthiness which can be used to avail a loan. This also represents a healthy balance sheet and strong financial position. These agencies also offer higher advance rates which ultimately results in factoring lesser invoices but

generating all the required money.

Moreover the factors handle the collection in professional manner thus reduces the collection costs. They also help in processing of invoices by generating invoices online. This further means increased paperless work. As a result the turnaround time is much shorter than any other means.

Invoice factoring is also known as accounts receivable financing. This practice helps in solving the immediate cash flow problems for small businesses with immediate infusion of money. They also provide a credit facility to small business owners with complete flexibility. This also provides the working capital to the small or medium business owners. This factoring helps in generating working capital without the need of constant renegotiations. Since there is a considerable increase in the working capital it leads to more sales and expansion of business.

A practice of factoring helps small business owners not only to solve their cash problems but also help in increasing sales. Small business owners can also concentrate on their businesses rather than chasing their customers for payments and cash. Factoring practice helps all kinds of small to medium business owners whether they are a small trucking company or any manufacturers.

As a result of invoice factoring, it not only reduces accounting costs but also helps business owners and manufacturers in increased productivity. This practice if factoring the invoices keeps the businessmen from other time consuming jobs like collection, administration, book-keeping, looking up additional capital or warding off creditors.

Finally the best part of factoring is that the business ownership remains unchanged as in case of loan, etc. Since there is no loss of business equity, the ownership percentages remain unchanged.