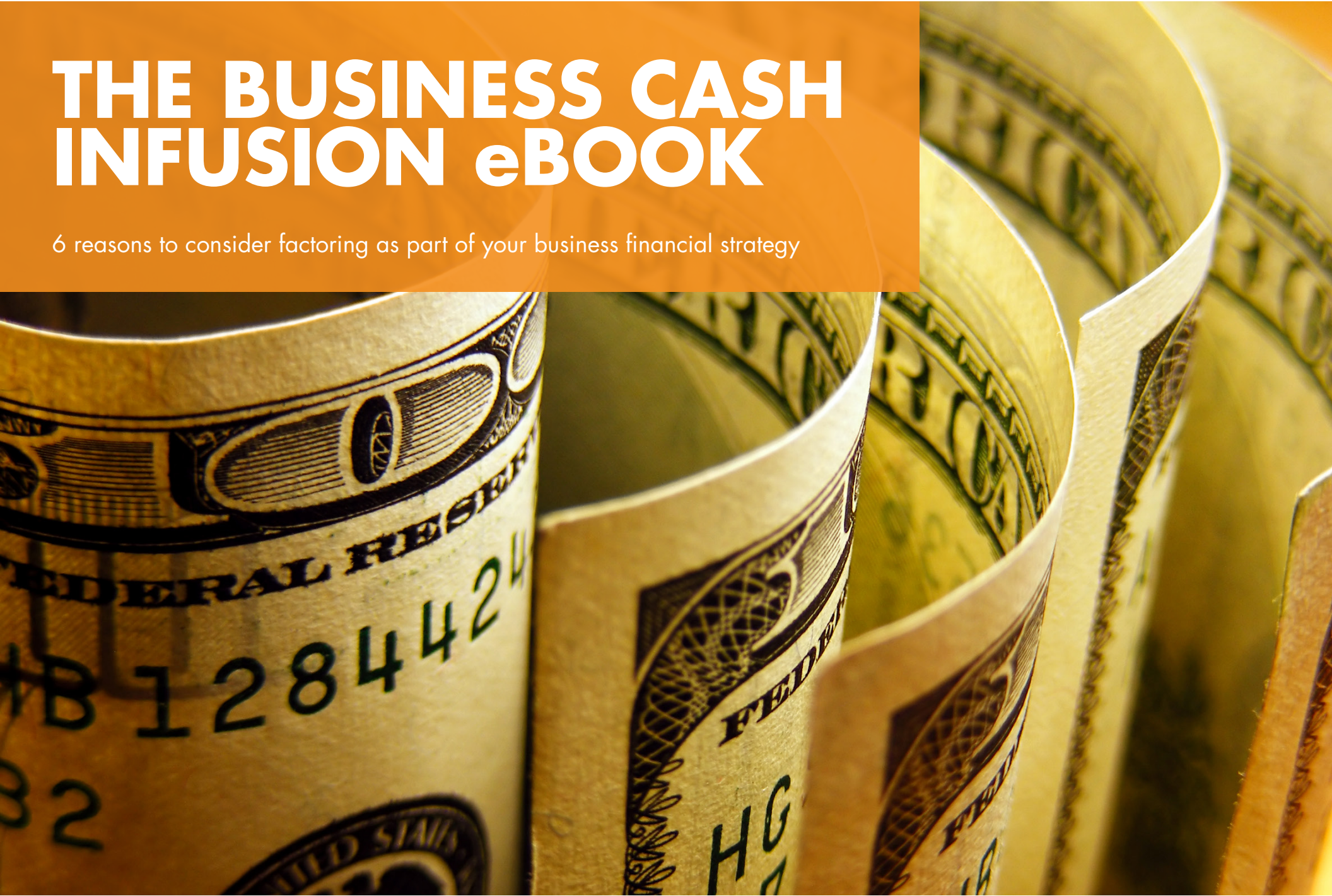


THE BUSINESS CASH INFUSION eBOOK

6 reasons to consider factoring as part of your business financial strategy



WANT MORE CASH FOR YOUR BUSINESS? **START HERE.**

Businesses large and small all have one thing in common: **The need for consistent cash flow.**

The reality of cash for businesses today is that it's getting harder and harder to come by. Banks have become especially tight-fisted with loans or credit lines for these service-related companies without the benefit of something of equal or greater value to secure that loan or line against. All business owners have a common need for customers to pay their bills on time - or get access to quick cash to pay expenses and take on new business when they don't.

As you know, waiting 30, 60, or even 90 days to get paid on invoices is tough. If you want to grow your business, or even run it smoothly, you need to access that working capital and have a steady cash flow.

So how can your company access working capital to keep your business moving? There are several alternative financing methods at your disposal.

In this eBook, we will outline and highlight a few common options that may work well for your company.

Continue reading to find 9 common cash strategies to fund your business.

COMMON CASH STRATEGIES TO **FUND YOUR BUSINESS**

Need to boost your working capital? Many entrepreneurs consider the following sources:

1 Credit Cards

Sure, they're easy to get. They also make it really easy to run up debt.

2 Loans from family and friends

They may or may not be easy to get, but they sure are painful to ask for.

3 Equity partners

It's tough to make these feel "equitable" once someone owns a piece of you.

4 Bank loans and SBA loans

They are tough to find and even harder to secure with the added benefit of being a really easy way to dig yourself a deeper hole of debt.

5 Slow-pay your suppliers

Sacrificing your business relationships is not a smart funding strategy.

6 Hold back on paying payroll taxes

Don't kid yourself. The tax man will get his sooner or later.

7 Slow-pay employees

Hurting the ones willing to stick with you breeds resentment, not cash flow.

8 Pester your customers to pay you faster

Being annoying may get you paid, but your desperation could cost you in the long run.

9 Factor your invoices

Used money you're owed to survive and grow.

Factoring is widely used by companies big and small across multiple industries, to access their working capital.

WHAT IS INVOICE FACTORING?

Factoring is the sale of a company's accounts receivable invoices to a factor to obtain working capital; this is also known as receivables factoring, invoice factoring, bill factoring, accounts receivable factoring, accounts receivable funding and invoice discounting. It is a popular method of financing used worldwide to help all types and size of companies.

How factoring works

Factoring is a faster way to get access to money you've already earned. Instead of waiting weeks or even months to get paid, factor your invoices and get cash in 24 hours.

1 SIGN UP

It's quick and easy. We keep the paperwork to a minimum so you can start quickly.



2 SEND INVOICES

Email or fax your invoices along with some basic documentation showing the work was completed.



3 GET CASH

We advance up to 90% of the invoice amount in 24 hours. Get the remaining 10% once your customer pays (minus a small fee).



So you know how factoring works, but are you still wondering how factoring can benefit your company? **Read on.**

TOP 6 REASONS TO CONSIDER FACTORING

REASON 1

You get quick access to cash needed to cover immediate business expenses.

53% of small business owners said they were unable to grow or expand their business due to a lack of capital.* Don't be a statistic. Most factoring companies pay you within 24 hours. You can use the cash to cover immediate business expenses, pay your employees, purchase a new piece of equipment, or grow.



**Business Insider*

REASON 2

You don't need to saddle yourself with more debt.

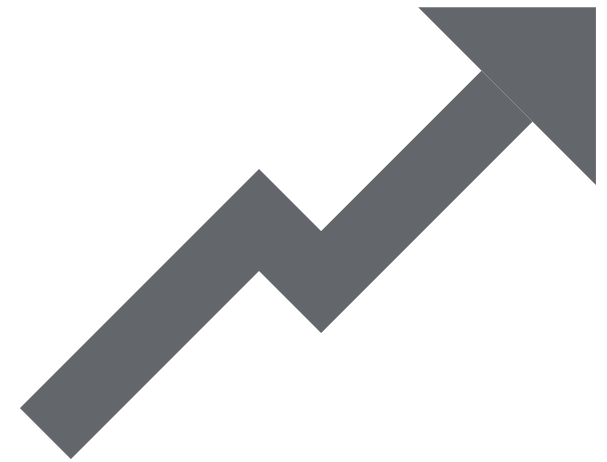
Factoring is not a loan, so you don't have to worry about adding debt to your business.



REASON 3

You can use the factored cash to fund your next job.

You won't have to turn down a job because you don't have the upfront cash to fund it, allowing you to take on more business and grow your company.



REASON 4

You avoid late fees and interest charges by being able to make payments.

The upfront cash allows you to pay your bills on time, helping you avoid costly fees and potentially saving your business hundreds.



REASON 5

You can improve your company's credit rating.

According to the Small Business Association, insufficient or delayed financing is the second most common reason for business failure. The improved cash flow you'll get through factoring not only gives you immediate, steady cash, it can also help improve your credit score since you'll be able to pay your bills on time.



REASON 6

You can save time and money by giving accounts receivable headaches to someone else.

Factoring companies provide complete accounts receivable management services, allowing you to save time and money. You don't have to hire additional employees or handle it all yourself, giving you the freedom to take your company to new heights.



What should you look for in a factoring company? **We spill it.**

TIPS TO FINDING A **FACTORING COMPANY**

TOP 5 THINGS TO LOOK FOR IN A FACTORING COMPANY

When deciding on a factoring company, it's important to remember — not all factoring companies are alike. Choose a reputable and ethical company that understands your business and accommodates your specific needs. To help you narrow your search, we've pulled together the top 5 tips to consider when choosing a factoring company:

1 Flexibility – Can you factor only the invoices you choose?

Some factoring companies require a minimum number of invoices or a minimum volume each month. Be sure to ask about this upfront because there may be instances where you only want to factor your slow paying customers. It's best to choose a factoring company that allows flexibility so you can pick and choose the invoices you want to factor.

2 Industry Knowledge – Does your factoring company understand your business needs?

It's important to choose a factoring company that understands the demands you face in your industry. Your factoring company should know the ins and outs of your business and offer flexible solutions and programs tailored to your fit your company's needs.

3 Customer Service – Is your factoring representative going to be available when you need them?

It's imperative to choose a factoring company that provides 24 hour online account access so you can see exactly where your funds are in the factoring process. If a factoring company can't provide online access to your account, they may be lacking critical tools to support your business. Ask the company upfront how you can access your account, and ask for their hours of operation. Are they open on evenings and Saturdays?

4 Recourse vs. Non Recourse – Does the factoring company offer a Non-Recourse option?

There are two major types of accounts receivable factoring- recourse and non-recourse. Factoring with recourse means the client must buy back an invoice from the factoring company if the invoice is not paid within a certain number of days. Alternatively, non-recourse factoring means the factoring company incurs all the risk for non-payment of an invoice. Does the factoring company offer non-recourse agreements for certain invoices? You may want that extra protection and peace-of-mind that a non-recourse agreement can offer, so it's important to choose a factoring company that will work with your individual needs.

5 Professional A/R Management – Will the factoring company represent you in a manner you'd expect?

Accounts receivable management is a major part of factoring—and one of the major perks you receive. By having your factoring company handle your accounts receivable, it eliminates the time and expense of having to handle it internally. It's important to find a reputable factoring company that reflects a positive, professional image for your business.

Still have questions about factoring? We've pulled some top FAQs and answered them. **Learn the ins and outs.**

FACTORING FAQs

TOP 8 FACTORING FAQs

1 How does factoring differ from bank funding?

Factors make funding decisions based on the credit-worthiness of your customers; a bank makes credit decisions based on your company's financial history, cash flow and collateral. Most importantly, a factor makes funding decisions in days or hours-while banks generally take weeks or even months. Whether they lack the collateral needed or the ideal credit scores that banks look for, many companies are unable to secure a bank line of credit for their business. Factoring is a great alternative. Other benefits are that factoring requires minimal paperwork and you don't need a credit check.

2 How long does it take to sign up for factoring?

Usually, within 24 hours of receiving your application, the factoring company will send you a customized rate tailored to fit your company's needs. Initial funding can be as quick as the next day.

3 Can factoring programs co-exist with existing bank funding?

Yes! A factoring company will work with your bank to develop a standard agreement. Several companies find that the combination of bank financing and factoring can help increase cash flow, while helping to reduce the overall cost of financing.

4 Do I have to be an established business to factor?

No! In fact, factoring can be an ideal option for start-ups or growing businesses.

5 How does factoring affect my relationship with my customers?

The impact should be positive. eCapital is skilled at providing a professional and positive image of your business to your customers.

6 How do factoring companies establish their fees?

It's simple. First, the factoring company looks at the diversity base of your customers and the collection period, and then they factor in the average dollar amount of the invoices you want to factor each month.

7 What does a factoring company generally require from their clients?

Factoring companies usually require honest, accurate completion of some minimal paperwork and that you do business with credit worthy customers. That's about it!

8 Does my company have to be a certain size in order to factor?

Nope! Any size company can benefit from factoring services, but it's ideal for small to mid-sized companies with \$20,000 to \$2 million in monthly receivables.

ABOUT eCAPITAL

At eCapital, we're on a mission to provide businesses the funding they need to support their business growth. Why? We believe a steady cash flow can change the course of a business. It can help a company define its future—and turn barely breaking-even into kicking butt and taking names.

eCapital is a forward-thinking force that enables businesses to make tomorrow better than today. We founded our company on the idea that you shouldn't have to jump through hoops to get funding. We get you cash, fast. That way you can get back to doing great things. Whether that means taking on a contract, expanding your team, getting ahead, or buying that new ping pong table, eCapital shares your dreams.

We're committed to getting you the cash you need to thrive. This is our passion. The reason we exist.

Learn more about us at [eCapital.com](https://www.ecapital.com) or by calling 800.705.1500.