

For staffing and recruiting companies

MASTER PAYROLL FUNDING SECRETS

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SPEAKERS

Featured industry experts



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The Essentials of

PAYROLL FUNDING

THE ESSENTIALS

What is payroll funding

PAYROLL FUNDING SOLUTIONS

Staffing industry term.

Finance invoices to get cash and working capital to pay employees on time.

INVOICE FACTORING

The fastest way to make payroll. Unlock cash from your outstanding invoices.

- Financing option where a business sells unpaid invoices to a third-party.
- Some Factors have low or no minimum volume requirements.
- Advance rates on accounts receivables at 90% or higher.
- Customer Notification or Confidential.

ASSET-BASED LENDING

Retain greater control of your finances with the flexibility of an asset-based line of credit.

- Financing option that lets staffing companies borrow money against its total eligible accounts receivables.
- Facilities up to \$50 million.
- Up to 90% advance rate on accounts receivables.
- Flexible and covenant-light.

Navigating

FINANCIAL CHALLENGES

NAVIGATING CHALLENGES

Overcome financial challenges with payroll funding

1. Start Up
2. High Growth
3. Buyouts, Mergers & Acquisitions
4. Seasonal Demand
5. Unexpected Events
6. Extended Payment Terms
7. Unlocking Business Wealth
8. Poor Financial Health
9. Restructuring and Turnaround
10. DIP Financing





How Payroll Funding
WORKS

BEHIND THE SCENES

How payroll funding works

INVOICE FACTORING

- For staffing companies at any stage of development.
- Ideal for high-growth or new staffing firms that have a limited business credit history.



BEHIND THE SCENES

How payroll funding works

ASSET-BASED LENDING

- For more established staffing companies.
 - Ideal for staffing firms seeking a more traditional line of credit and are accustomed to regularly presenting a borrowing base certificate.
1. The alternative finance company provides a line of credit, secured by the agency's assets, usually accounts receivable. The credit limit is based on a percentage of eligible A/R value.
 2. The staffing company can draw funds from the credit line as needed to cover payroll and operational expenses.
 3. As the staffing company grows, the credit line can increase making it a flexible and adaptable solution for varying financial needs.



Advantages of

PAYROLL FUNDING

BENEFITS OF PAYROLL FUNDING

Advantages for staffing agencies



Achieve reliable and steady cash flow

- Confidently meet payroll obligations.
- Predictable cashflow to cover business expense.



Improve client satisfaction

- Maintain timely service to clients.
- Ensure contingent employees are paid on time.
- Foster positive client experiences leading to increased client retention and referrals.



Attract and retain top talent

- Offer competitive compensation packages, benefits, and timely pay.
- Secure the best talent for your clients.

BENEFITS OF PAYROLL FUNDING

Advantages for staffing agencies



Greater flexibility and adaptability

- Payroll funding can be adapted to accommodate varying demands.
- Invest in essential resources, such as technology upgrades and marketing initiatives.
- Stay agile, responsive and ahead of competition.



Faster access to working capital

- Receive funds within 24 hours after presenting approved invoices.
- Confidently respond to unexpected challenges.



Minimize credit risks

- Run credit checks on clients to minimize risk of non-payment or late payments.
- Avoid financial losses and maintain stable financial position.

BENEFITS OF PAYROLL FUNDING

Advantages for staffing agencies



Payroll processing options

- Full-service payroll funding and processing available from a handful of factoring providers.
- Split services – work with a payroll funding provider for financing and a separate payroll processor to take care of payroll, benefits, tax obligations.



Easy to obtain

- Through factoring invoices, payroll funding is easy to get for your creditworthy customers.
- Small businesses and start ups benefit the most from factoring, as they may be unable to meet bank loan requirements.

Ways to accelerate
FUNDING

WAYS TO ACCELERATE FUNDING

Streamlined payroll funding process



QUICK APPLICATION AND APPROVAL

- Invoice factoring can be approved within days.
- Asset Based Lines of Credit approved within weeks.
- Minimal bureaucracy and documentation.
- Faster access to capital compared to bank loans.



SCALABLE FUNDING SOLUTIONS

- Scaled to your company's working capital needs.
- Adapt seamlessly to support your business growth.
- Confidently expand your workforce, enter new markets, handle seasonal fluctuations.

WAYS TO ACCELERATE FUNDING

Streamlined payroll funding process



CREDIT FLEXIBILITY

- Funding providers prioritize the value of collateral and invoices vs the credit history of the borrower.
- Payroll funding more accessible to companies with limited equity or facing temporary financial challenges.



STAFFING EXPERTISE

- In-depth understanding of industry's unique needs.
- Understand specific cash flow and operational challenges staffing companies face.
- This knowledge translates to tailored financing solutions and strategic advice.

WAYS TO ACCELERATE FUNDING

Streamlined payroll funding process



ONLINE PLATFORMS

- User-friendly online platforms for application, approvals, fundings and detailed reporting to run your business.



ACCESSIBILITY

- Alternative finance companies tend to be more accessible and responsive than banks.
- Dedicated and faster customer support and assistance throughout the funding process.

Discover

REAL WORLD STORIES

TRANSITIONING FROM BANK FINANCING

Overcoming rigid bank covenants

CLIENT

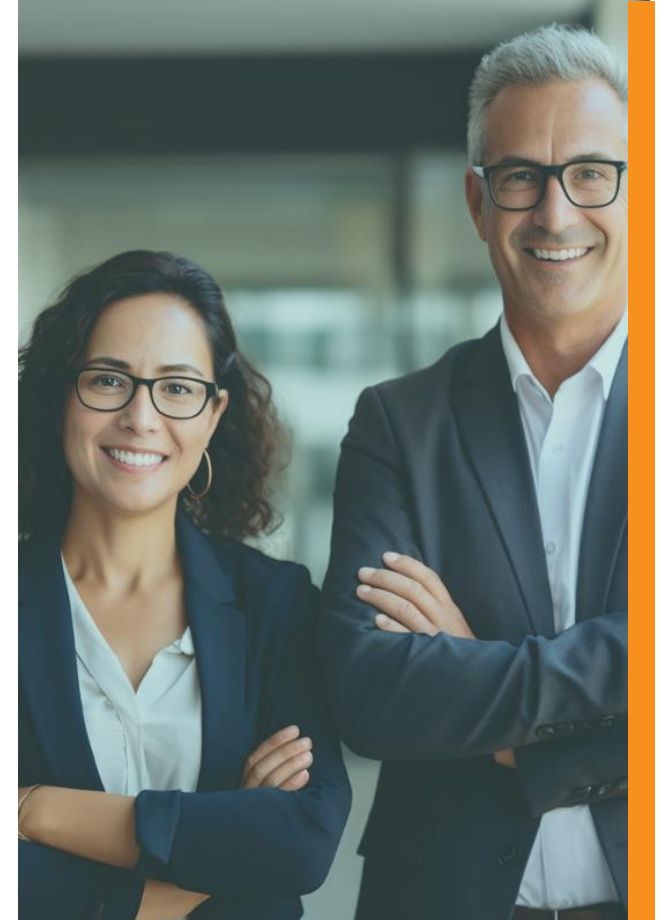
- Northeast US Light Industrial Staffing company, in business for 10+ years.
- Using a Bank Line of Credit to finance their operations.

THE CHALLENGE

- Experiencing financial difficulties with recent market downturn and losses in the business.
- Their bank converted their revolving line of credit to a term loan, due to the losses and negative cash flow.
- Needed to act quickly, as the bank was unable to continue to provide a revolving line to support the business.

THE SOLUTION

- eCapital able to acquire the A/R from the bank and provide a receivable finance line.
- With no covenants in eCapital's factoring line, it provided time for the staffing firm to turn their losses into profits.



SEIZING GROWTH OPPORTUNITIES

Accelerating growth and finding financial flexibility

CLIENT

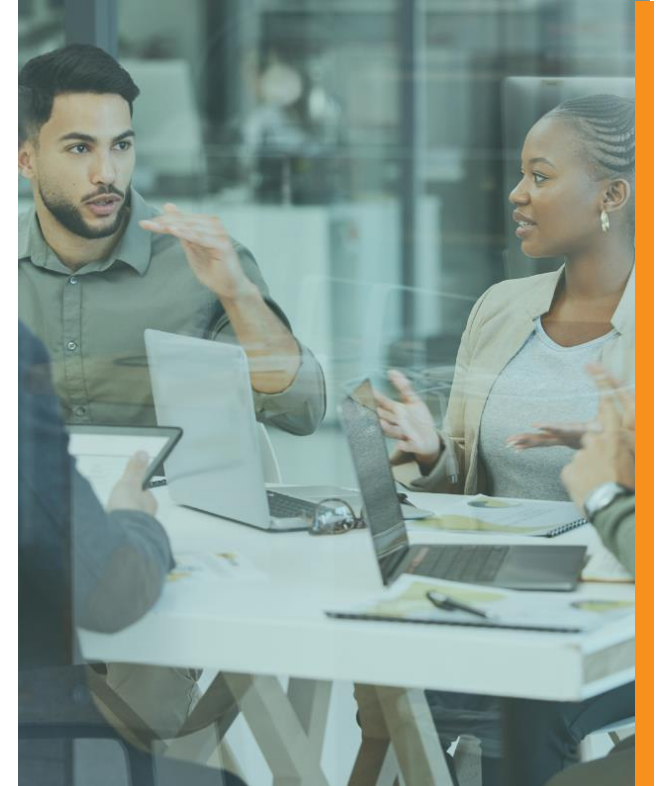
- US recruiting and staffing agency, in business 35+ years.
- Experienced remarkable growth through two significant acquisitions.

THE CHALLENGE

- Needed creative financing solution to support evolving business needs.
- Traditional banking relationships no longer provided necessary flexibility and industry expertise.

THE SOLUTION

- Leveraged a larger line of credit, critical to support growth.
- eCapital structured terms to align with their client profiles, many of which are large Fortune 500 companies.



...we've been able to **double the size of the company** in the last five years.”

INCREASING INITIAL ADVANCE RATES

Converting from an EOR

CLIENT

- Midwest Multi-Line Staffing company, in business for 5+ years.
- Using an EOR for back office and funding.

THE CHALLENGE

- Initial advance rate for the EOR/Lender limited to payroll/burdens/WComp up front.
- With an effective 75% advance rate, the company was not able to realize any profits on invoices until the client paid.
- The company needed a higher advance rate, to be able to survive their client's 60-day pay cycle.

THE SOLUTION

- eCapital provided a 90% advance rate on the invoice purchases, which allowed the client to realize a good portion of their profits up front.
- Company now has ability to add additional staff, due to the increase in advance rate.



Choosing

THE RIGHT PARTNER

CHOOSING THE RIGHT PARTNER

Alternative lender vs bank

ALTERNATIVE LENDER

- Quick application and approval process
- Tailored funding solution for staffing
- Credit flexibility
- Personalized service
- Faster response time

TRADITIONAL BANK

- Traditional process with more bureaucratic application and loan approval procedures.
- Inflexible funding options, often less accommodating for staffing industry needs.
- Strict credit requirements & financial covenants.
- Long lead time to increase credit line if bank is willing to increase the line at all.

CHOOSING THE RIGHT PARTNER

Seven key characteristics to consider

1 EXPERIENCE

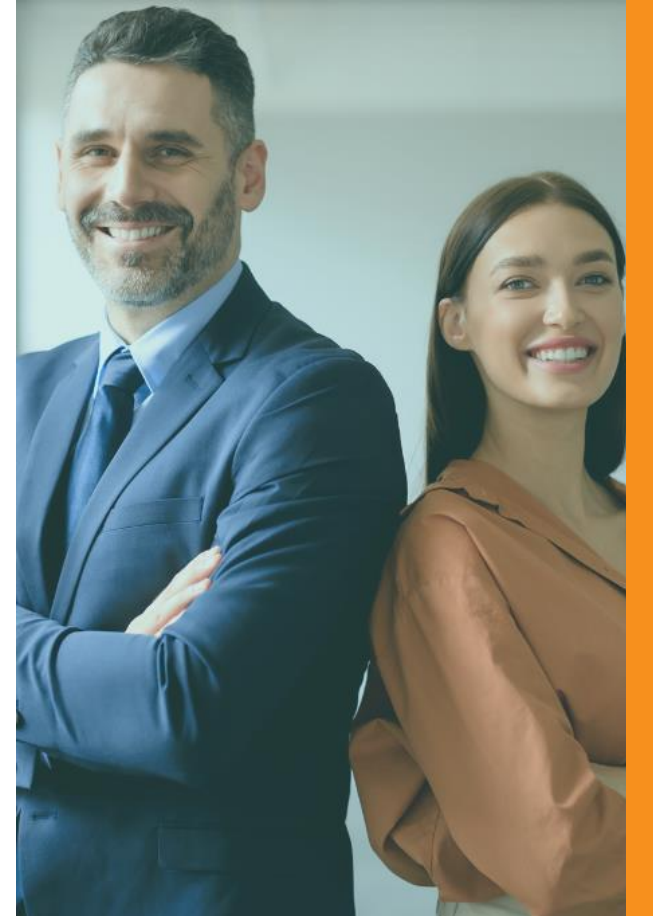
- Solid track record of supporting staffing firms
- Understanding unique challenges and opportunities in staffing

2 CUSTOMER SUPPORT

- Dedicated customer support through multiple channels
- Quick response times

3 COSTS vs. BENEFITS

- Cost of service a critical concern but shouldn't be ultimate consideration
- Beware of funding relationships based on lowest cost



CHOOSING THE RIGHT PARTNER

Seven key characteristics to consider

4 ACCESSIBILITY

- Instant access to funds through user-friendly online portals.
- Find out when you can access your collected reserves.

5 FINANCIAL STABILITY

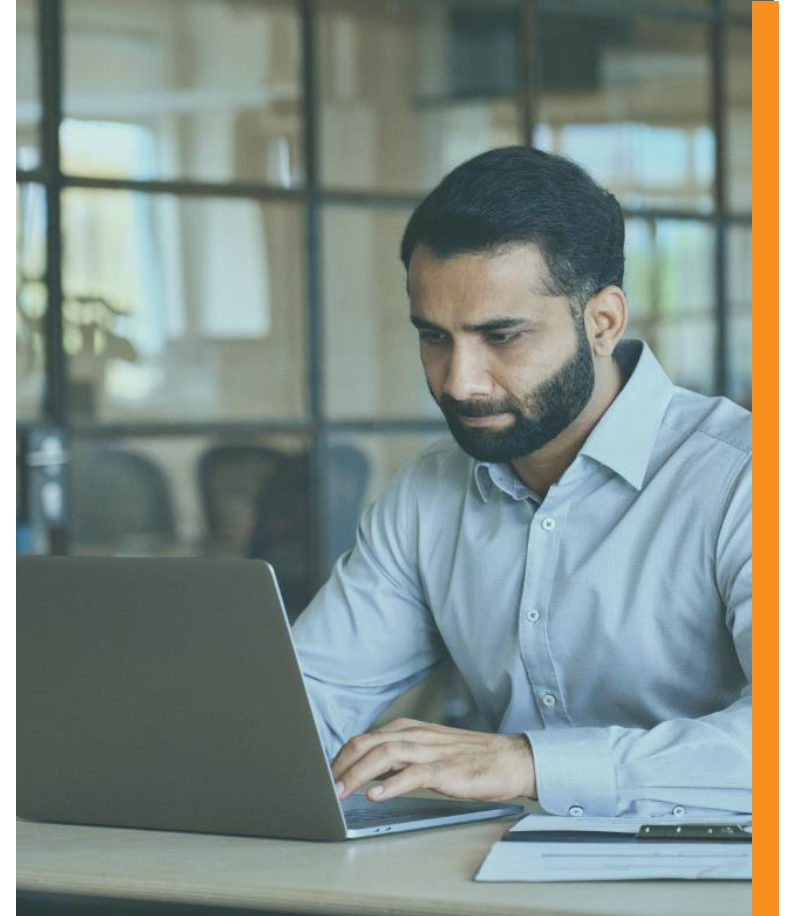
- Partner with a company that is financially secure and can sustainably support your needs.

6 REPUTATION

- Deep roots in industry and positive reputation.
- Check for reviews and testimonials.

7 FUNDING SCALABILITY

- Make sure your funding source can support your increasing financing demands.



Navigating

PAYROLL FUNDING OPTIONS

EVALUATING INVOICE FACTORING

Several factors to consider

Cost and fees:

- Understand fee structure.
- Determine if there are additional or hidden fees.

Advance rates:

- Higher advance rates provide more immediate working capital.

Contract terms:

- Review terms & conditions, including contract duration and any early termination fees.

Recourse vs non-recourse factoring:

- Understand the difference between these factoring options.

Minimum volume requirements:

- Determine if there are minimum invoice volumes or monthly funding requirements.

Notification and non-notification factoring

- Understand which options best aligns with our business relationships.

Application & approval process:

- Evaluate the ease and speed of the application and approval process, as well as documentation required.

Flexibility:

- Consider how flexible the company is in accommodating your specific staffing needs and growth plans.

Additional services:

- Consider if the company offers any additional services, such as collections and credit analysis.

HOW TO QUALIFY

Payroll funding options

INVOICE FACTORING

- Many factors will fund startups.
- Some require minimum annual revenues.
- Some have a minimum credit score requirement.

ASSET-BASED LENDING

- Need at least two years in business.
- Have minimum credit and minimum annual revenue requirements to secure the loan.

SIMPLE APPLICATION

- Business and owner information
- Business financial documents
- Business bank statements and tax returns
- Accounts Receivable Aging
(or target Customer List for a startup firm)



KEY TAKEAWAYS

Payroll Funding for Staffing & Recruiting

ESSENTIAL ROLE

- Provides a consistent and reliable source of working capital

OPPORTUNITIES

- Improve financial stability and mitigate risk
- Optimize operational efficiency
- Remove barriers to growth

THINGS TO CONSIDER

- Industry expertise and track record
- Service quality and dedicated support
- Advance rates and reserve release frequency
- Rate structure and associated fees
- Other services



DISCOVER THE eCAPITAL DIFFERENCE

Tailored financing solutions for staffing

STAFFING INDUSTRY EXPERTISE

We understand your industry's unique demands.

TAILORED FINANCING OPTIONS

We offer financing solutions tailored to your staffing company's demands.

PROVEN SUCCESS

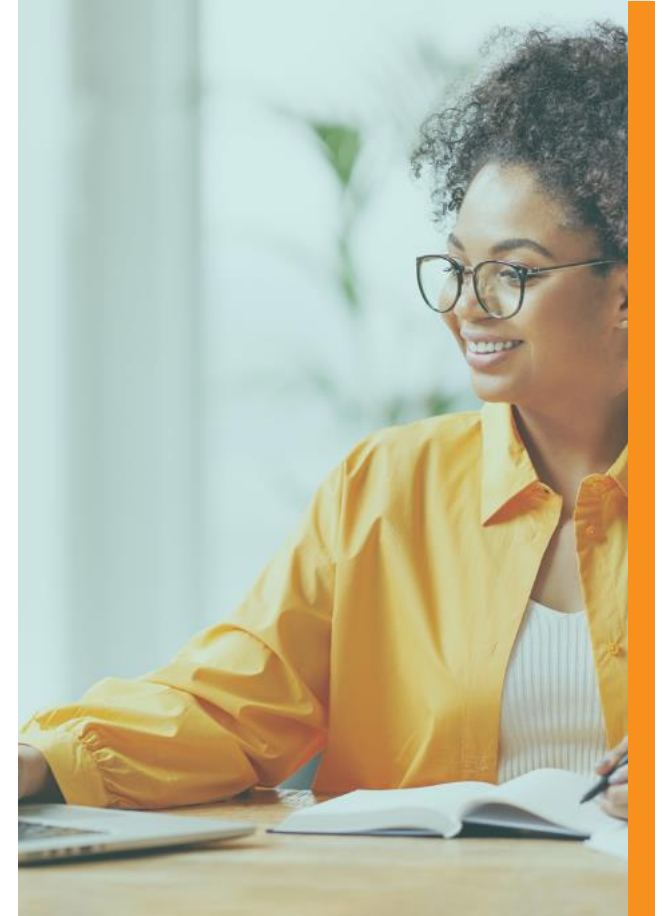
We've helped hundreds of staffing companies achieve their goals.

FAST APPROVAL

When you partner with eCapital you can count on fast approval times.

DEDICATED SUPPORT

Your dedicated account team offers guidance and support for your specific financing needs.



ABOUT US

See what we can do for your business



30,000+
CLIENTS FUNDED



\$36 Billion+
FUNDED



OVER
22 Million
INVOICES
PURCHASED



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