

ALTERNATIVE FINANCING OPTIONS

**Hard to believe...
business is booming,
but the company's
strapped for cash.**



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At one point or another, every business is confronted with cash flow problems - and it doesn't just happen during difficult times! Businesses need cash for many reasons. A company may be experiencing sudden growth, or there may be a need to expand production, or there may be a need to fund a major transaction. All can create an immediate, sometimes urgent need for funding.

Current research shows that a good proportion of small and medium sized businesses fail because of difficulties in meeting short term financial obligations - not because business is bad. So it seems contradictory for a growing and profitable business to get into serious financial trouble, even go broke. But on closer examination, it's not surprising.

Even if one or two of your larger accounts fails to pay their invoices on time - even if they take an additional 30, 60 or even 90 days to pay - you've got a cash flow problem! It's a common business scenario that the professionals at Liquid Capital are familiar with.

Traditionally, business people have relied on corporate lines of credit that are derived from convention-

al lending sources. And at certain times, there's even a need for short-term bridge financing. But who of us hasn't been in a position where business related expenses were paid with a personal credit card?

When the traditional means of funding seem to dry up, the process of acquiring extended financing can become a lengthy, arduous and sometimes impossible experience. But today, there is a viable alternative to surviving those cash-strapped cycles, especially during periods of business growth and expansion. This alternative form of financing is known as Factoring and is sometimes referred to as Accounts Receivable Financing or Asset-Based Lending.

When traditional means of lending just aren't available, Factoring may be the answer.

The benefits:

- immediate response to specific cash needs
- flexible, customized funding arrangements
- credit protection on accounts receivables
- management/administration of receivables
- personalized, confidential client attention
- relief from challenging invoice collections
- new cash influx allows for business growth
- relief on existing lines of credit

possible, through Factoring, to get immediate cash based on those receivables. So when the bank has to say no, Liquid Capital can usually say YES and provide the much-needed financing that a business requires.

More and more, Factoring has become a realistic and workable solution, allowing businesses to prevail when cash flow uncertainties can threaten survival.

Quite simply, when a company has credit-worthy accounts receivable, it's

Hard to believe - business is booming, but the company is strapped for cash.

The professionals at Liquid Capital are independent business owners, operating their own businesses and providing services as personal stakeholders. They react very quickly to the financial needs of their clients and provide them with the personalized, professional and hands-on attention that they expect.

Factoring allows a business to satisfy its cash needs with cash flow. It's a simple process. Your company, with quality accounts receivable, needs cash. Liquid Capital purchases one, or a group of those receivables, and gives you up to 85% [less fees] of the face value immediately. The balance is forwarded once the customer's invoice is paid in full. And while it's true that Factoring is more costly than other means of lending, borrowers find that the benefits make the transaction well worth it.

One of the biggest advantages of Factoring is the short turnaround time. Unlike the banks, there is no lengthy loan approval process, so that business owners can often have money in hand within a few working days. And as long as a business is credit worthy, and receivables are sound, there are few obstacles to obtaining financing.

However, in keeping with principled business practices, Factoring approvals are by no means automatic. A business must be reputable - it must have a solid product or service, as well as credit-worthy customers. But once approved, funding is easily pro-

vided, and ongoing financing is limited only by the amount of receivables involved.

Factoring has "grown up" in the last decade, and for many companies it's a feasible alternative, often endorsed by their accountants or financial advisers. In many cases, Factoring has made it possible for a business to process orders and undertake projects that would otherwise be impossible because of a lack of financing.

Clearly, Factoring has a place in today's business environment. It can give a company the opportunity to expand a customer base - to increase manufacturing and production - to launch a new product line - even to weather a seasonal slump. Fact is, Factoring works.

DID YOU KNOW?

Lines of Credit from conventional lending institutions are usually fixed AND limited. Any increase in the credit limit must be re-negotiated, often with difficulty. Factoring does not impose these kinds of limits. In fact, as your business grows and your receivables increase, so does the amount of funding that can be provided. You are only limited by how much business you can handle!

For a confidential assessment of your financing needs it pays to contact the professionals at Liquid Capital.

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