

Title:

Factoring Can Be An Ideal Solution For Start-Up And/Or Growing Businesses

Word Count:

396

Summary:

Factoring is one of the oldest methods of business financing in existence. The history of fact

Factoring is the sale of accounts receivable, as opposed to borrowing against them as you would

Keywords:

invoice factoring, account receivable factoring, factoring, working capital

Article Body:

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Factoring is the sale of accounts receivable, as opposed to borrowing against them as you would

Companies often find themselves in the frustrating position of having sales opportunities which

Primary advantages of factoring versus a bank line of credit:

- Factoring facilities are much easier to implement compared to acquiring a bank line of credit.
- Factors have more flexibility with regard to documentation and credit issues than banks.
- Factoring can be initiated and terminated very efficiently. When making a first-time purchase.
- The business receives payment in cash from the factoring company after delivery and invoicing.
- Factoring is a sale of assets (invoices), not a loan. For businesses that either cannot qualify for a bank line of credit.
- Factors purchase all rights in the invoices and the seller has secondary liability for any invoices not paid.

The factors undertake debt collection, but the business remains ultimately responsible to repay the

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