

Sunday, July 31, 2011

## 5:07PM - Working Capital With Merchant Cash Advance Factoring

Merchant Cash Advances: All of the planning in the world is an exercise in futility without the Merchant Cash Advance working capital to successfully carry out the plan. If a business sells to customers on terms, then working capital availability is dependent on cash flow timing. In most instances a business will incur a cash flow gap between the time cash is required for inventory, payroll and operating expenses, and the time cash is received from customers paying on terms. Let's explore a Merchant Cash Advance simple example of this timing difference that makes up the cash flow gap:

Day 1: Your business orders materials from suppliers on N/30 terms;

Day 3: Your business receives Merchant Cash Advance materials and begins production (which takes 5 days);

Day 8: Your business ships product to customers on N/30 terms;

Day 14: Mid month Payroll is due;

Day 30: Month-end Payroll and Merchant Cash Advance invoice are due;

Day 48: Your customer remits payment to you.

In this scenario the cash gap is 34 days, which is from day 14 when payroll is due, to day 48 when customer remits payment. The cash gap encompasses two pay periods and a payment to your supplier, whereas the gap normally includes multiple payments to suppliers for ongoing customer orders.

If your business is mature and growing conservatively, or less than 10% per year, then you probably have sufficient Merchant Cash Advance reserves or a bank line of credit to cover the cash gap. But, if you are a growing business with opportunity, how do you cover the Merchant Cash Advance gap? Oftentimes a bank line of credit is not sufficient to cover the Merchant Cash Advance gap for growing businesses because bankers look historically to your company's past to determine how much debt they will lend to your business in the future.

Many growing businesses have found themselves caught short on working capital as their cash flow stretched during a period of growth.

Merchant Cash Advance funding through account receivable Merchant Cash Advance factoring may be just the tool needed during periods of rapid growth. Factoring is not a loan or debt, but the selling of frozen assets (invoices) at a discount to obtain the cash in a more timely fashion (typically within 24 hours of invoicing your customer).

Your business sends Merchant Cash Advance invoices to your customers and a copy of the invoice to the factoring company. The Merchant Cash Advance company purchases the invoice from your company advancing 80% of the face amount of the invoice. When your customers pay the invoice, the Merchant Cash Advance company remits to you the 20% reserved, less their fee (normally 1-5%).

In the cash gap scenario discussed above, working capital would be enhanced by providing your company with Merchant Cash Advance (80% of the invoice amount) on day 9.

Your company would have cash flow to make payroll on day 14, and pay suppliers and make payroll on day 30 Merchant Cash Advance. When your customer pays on day 48, the factoring company remits to you the 20% held less their fee.

When planning for growth in your business it is important that you assess the Merchant Cash Advance working capital needs and cash flow gap in order to ensure that your plans can be met. Utilizing an accounts receivable Merchant Cash Advance factoring program can assist in your successful growth. But, be sure to assess the cost of the accounts Merchant Cash Advance receivable program as a percentage of sales. And, make sure that you do not have a term contract with the Merchant Cash Advance company so that you may exit the program whenever your business has grown to the next plateau.

RESOURCE:  
[merchant cash advances](#)

[merchant cash advance](#)

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Friday, July 29, 2011

1:30AM - [Bad Credit Business Loan Merchant Cash Advances](#)

### Bad Credit Loan Merchant Cash Advances

[Bad credit business loan](#) merchant cash advances provides small business monetary support as the economy rebuilds, offering different options than small business loans for businesses to flourish.

Something to think about when obtaining a [merchant cash advance](#) for your business is utilizing MerchantCashinAdvance, taking advantage of the \$500,000 with no interest... allowing a 12 month payback period, and no restrictions on changing processors.

It's never necessary to repay, as small percentages of credit card sales from consumers are taken until the merchant is paid off; within 2 months, another advance is available.

Unsecured business loans in the form of merchant cash advances are available in this time of need, due to the recovery of the economy. most businesses are already relying on Visa and MasterCard to keep business alive and healthy. Obtaining Merchant Cash in Advance can be an integral part of success when others crash without any options other than attempting to qualify for a small [business loan](#).

Business loans can be a complicated process. There is the restricted use of funds when approved for business loans. Unsecured business loans via Merchant Cash in Advance offers the convenience that comes with higher approval rates, faster processing and the satisfaction of not requiring any credit whatsoever.

MerchantCashinAdvance.com prides itself as being the industry's leader in the amount of approvals by being as straight to the point as possible. The application requires only basic information regarding the business when obtaining a merchant cash advance.

(RESOURCES):

<http://merchantcashadvance.blog.co.uk>

<http://www.rateitall.com/rc-8365085.aspx>

<http://worldvillage.com/author/merchantcashadvance>

<http://merchantcashadvances.multiply.com>

<http://www.rateitall.com/rc-8365089.aspx>

<http://www.merchantcashinadvance.com/blog/june/extra-cash-available.html>

<http://www.merchantcashinadvance.com/blog/june/same-day-merchant-cash-advances-make-getting-a-loan-easier.html>

<http://www.merchantcashinadvance.com/blog/june/merchant-cash-advance-flow.html>

<http://www.merchantcashinadvance.com/blog/june/cash-advance-services-for-merchant-cash-advance.html>

**Current mood:** accomplished

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