

The Various Profitable Ways Factoring Services Can Help Your Business Sustain and Expand

By Brian Strugs

Businesses can use the Factoring process in various ways, i.e., to raise seed money to go into business; to help stabilize or expand; to subsequently prosper into business superstardom and more. Study the following highly recommended examples that track an entrepreneur's theoretical journey utilizing actual Factoring services. Ambitious Andy is the creator and founder of Fine Products Inc. He has a dynamic business plan based upon phenomenal and extremely innovative inventions, which he has patented.

Andy's pioneering entrepreneurial spirit is zealously eager to storm into the marketplace and make the world a better place while fattening his finances. Unfortunately, he does not have the money to go into business. He decides to seek out a venture capitalist to finance his business start-up. He does not directly find one but fortunately, he indirectly finds a company in a liaison capacity through Profit Increase Funding, a worldwide Factoring company. They are able to connect him with one of their venture capitalists that finances Fine Products, Inc.

As Fine Products begins selling its fine products, its sales begin to flourish and its profits soar swiftly. Andy begins to Factor its accounts receivables through Profit Increase Funding in order to expand and increase profits even more efficiently and expeditiously. Factoring is the process that occurs when a business allows an unconventional funding source (a Factor) to purchase its accounts receivables for up to 95 percent of the face value of the invoice, and minus a small fee. Thus, and in exchange, this provides the business with a debt-free lump sum of cash because Factoring is not a loan. Therefore, Fine Products is able to expand its warehouse, purchase more equipment, hire more workers, and take on larger orders, which causes higher net profits to occur.

Again, Fine Products decides to contact Profit Increase Funding to further boost and expand its profits by establishing and implementing a Merchant Account to allow its customers to purchase its products with credit card transactions. Further, Fine Products engaged Profit Increase Funding to set up a process called Credit Card Receivables Financing. Credit Card Receivables Financing is the process of advancing cash to a business based on its past six months of credit card sales, allowing a business to collect cash within a mere seven days or less. Technology has even allowed us to reach the point where it is now possible to establish online Factoring services that allows a continuous flow of invoices (regular accounts receivables and credit card receivables) to be Factored and paid to a business in real time over the internet at an almost instantaneous rate of speed. This is an easy system to set up, because the Factor (funding source company) does all the due diligence and paperwork while your business simply monitors the flow of transactions via the internet.

As time goes by, Big Widgets, Inc., a huge industrial company, calls upon Ambitious Andy at Fine Products to place an extremely large order (30 times larger than any order they have ever wants them manufactured and delivered in half the time it would normally take to manufacture and ship. Ambitious Andy steps out on faith and accepts and agrees to fulfill the order. As part of his terms and conditions to fulfill the order, Andy insists that Big Widgets obtain and submit a Letter of Credit as a demonstration of good faith of their unwavering commitment to follow through on the tremendously huge order. This was a smart move on Ambitious Andy's part, and he is

very excited about the huge profit his company is about to earn. What is this Letter of Credit that Ambitious Andy insisted upon obtaining from Big Widgets before fulfilling the order?

A Letter of Credit is the promise of one party (the issuer) to pay another party's (the beneficiary) draft or demand for payment. A Letter of Credit is used for business transactions when a business needs to have the payment for invoices guaranteed by a third party (a funding source). When this happens, the purchaser of the goods, through a funding source company, requests a Letter of Credit; the funding source company guarantees to the seller that the buyer will pay the invoice on the goods sold. A Letter of Credit also may be used by the seller of goods to finance the necessary raw materials required to fulfill the order. Ambitious Andy knew that he could benefit and help Big Widgets, Inc. by obtaining the Letter of Credit he requested as part of the deal. Andy referred Big Widgets to Profit Increase Funding to request the Letter of Credit needed to successfully and securely place the order with Fine Products Inc. Big Widgets successfully obtained the Letter of Credit.

Still, another clever business move that Ambitious Andy used to give himself far more courage and incentive to step out on faith was to use Profit Increase Funding to get Purchase Order Funding, a business tool that is commonly used for huge orders. In short, Purchase Order Funding is when a business receives a Purchase Order for a product or service and needs money in order to produce the product or service that has been ordered. A lump sum of cash is advanced on a Purchase Order, allowing the business to receive the raw materials they need to fulfill the order and deliver and sell the products.

All of the various business operations in the preceding example are truly available in reality. Also, in actuality, Profit Increase Funding is a worldwide company that offers over 30 services, including each of the business operations referred to in this informational document. They have over 150 funding source companies with billions of dollars to invest and can help you with your cash flow and expansion needs. Contact Profit Increase Funding, Inc. to obtain a free, no obligation consultation by email, telephone or visit the website as follows:

Profit Increase Funding, Inc.

Brian Strugs, President/Certified Funding Consultant

17184 Westmoreland Road

Detroit, MI 48219-3551

Office: (586) 945-3605 / Fax: (586) 349-6070

Email: Profitincrease@sbcglobal.net

Website: www.profitincreasefunding.com

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