

Accounts Receivable Financing- Fuel Your Growth

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Accounts Receivable Financing- Fuel Growth explores how you can accelerate cash flow for exponential growth in the freight transportation business- also known as freight bill factoring, freight factoring and truck factoring.
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“Truckin got my chips cashed in. Keep truckin, like the do-dah man.

Together, more or less in line, just keep truckin on.

Arrows of neon and flashing marquees out on Main Street,
Chicago, New York, Detroit and its all on the same street.

Your typical city involved in a typical daydream

Hang it up and see what tomorrow brings...”- The Grateful Dead lyrics
to their song, Truckin’.

{bot_wrgoogle}“There is a road, no simple highway, between the dawn and the dark of night, and
if you go, no one may follow, that path is for your steps alone”- Jerry Garcia
quotation.

Many books have been written about the Grateful Dead and about Jerry Garcia. It
has been written that they succeeded “in spite of themselves”. The lyrics of
Truckin’ suggest a meandering of purpose albeit a desire to get somewhere. One
might say that Jerry Garcia was telling us that there is no simple way to
success. You have to find your own way there.

One of the greatest impediments to success in the trucking business is getting
paid on time. What if it takes 30 to 60 days to be paid after you have delivered
the goods to your customer? How do you pay for fuel, insurance, equipment leases
and wages? Accounts receivable financing may be your answer. Once you have a
receipt/bill of lading for delivery and an invoice that can be confirmed, you
can receive an advance of 80% to 95% of the funds due to you. When your client
pays, you receive the remainder due, less applicable finance charges.

Johnny Cash wrote in his song “Further On Up the Road”:

“Now I been out in the desert, just doin’ my time

Searchin’ through the dust, lookin’ for a sign

If there’s a light up ahead well brother I don’t know

But I got this fever burnin’ in my soul

So, Let’s take the good times as they go

And I’ll meet you further on up the road”

If you are "Truckin'" accounts receivable financing may help you get "Further on Up the Road" to your financial success. Why not just go to your bank for all the funds you need to grow your business? If you have great credit, two past years of successful operations, excellent bookkeeping, and no major needs for substantial growth your bank may be the best choice.

If the bank says "no" to your growing company's needs because you do not meet their qualifications, accounts receivable financing can accelerate your cash flow to pay your payroll, your fuel, insurance and other costs. You can take on new business opportunities and grow successfully by managing your cash with this proven method of commercial financing.

Here are some questions to ask yourself: Do you need a back office to help you with your collections and operations? If your company is a startup, you may want a commercial finance company to handle one hundred percent of your collections. If your company is established and you have administrative personnel, you may not want a third party talking to your customers regarding collections, especially if you believe these contacts may cost you business. Perhaps you want something in between regarding collections, where you can be the "good cop" and the commercial finance company's collection department can be the "bad cop".

Do you need credit check on prospective customers? Do you need help with legal or regulatory compliance issues? Are you in a cash crunch emergency that requires you to make a decision in a very short time such as one to three days? Do you have the time to read and compare proposed terms from several commercial finance companies just as you might if you were getting a loan on your home? Are you computer literate and will you have online access to your accounts? Lastly, is the cost of these extra back office services worth the extra expense you may be charged?

Here are a few legal issues to think about: Are you required to sell all invoices for a particular shipper or can you pick and choose which invoices you desire to sell? What does the contract say about choice of law? If you have a dispute with the commercial finance company and your headquarters is in California, will the dispute be pursuant to California law and California courts, or will you be agreeing to settle any dispute in a distant state such as New York? Can you afford to go to New York? Are you giving up your right to litigate disputes with a mandatory arbitration clause? Is there an attorney's fee clause in the contract so if you have a dispute and win, your attorney will be paid?

The bottom line: The Grateful Dead and Johnny Cash were right: keep on trucking further on up the road with accounts receivable financing; and choose your lender wisely.

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