

Accounts Receivable Financing- Jobs

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Monday, 21 May 2007

Accounts Receivable Financing- Jobs explores the history of staffing agencies, the staffing industry as it exists today, and financing techniques for expanding staffing agencies that are either start-up enterprises, or growing so rapidly that alternatives to bank financing are required.

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Until the early 1900's staffing agencies, also known as employment agencies, generally did not exist. Communities were smaller, and because there was no telephone or internet, people communicated face to face. People in small towns knew each other and hiring was based on that personal knowledge. One of the first staffing agencies was created in 1906 in response to the enormous calamity of the San Francisco earthquake of 1906. With an entire city of people displaced, there was an urgent need to hire workers on a mass scale to re-establish businesses that had been destroyed by the earthquake and fire, and to rebuild the city. Out of this urgent need to match workers to jobs the staffing agency industry was born.

{bot_wrgoogle}Today the staffing industry is a multi-billion dollar industry. There are many staffing companies with more than \$1 Billion in sales; the number of companies with over \$100 Million in sales grew in 2006. According to the American Staffing Association, "America's staffing companies employed an average of 2.96 million temporary and contract workers per day in 2006...and they added an average of 52,000 jobs per day in 2006".

Why are staffing agencies so popular? In a word, it's because of flexibility. Staffing agencies help workers to find work when they want, and they help business hire workers when they are needed. Staffing agencies provide workers to fill in when regular workers are absent, to provide extra help during busy times such as Christmas, and to work on special projects. The variety of jobs provided by staffing agencies is enormous.

A partial listing of staffing agency jobs include the fields of engineering, aviation, environmental services, architecture, administrative services, automotive services, energy, manufacturing, construction, mortgage banking, contact centers, science, health care, secretarial, manual labor, accounting, finance, executive recruitment, temporary staffing and student employment. One staffing agency specializes in administrative staffing by Microsoft Office Certified Professionals.

Most parents encourage their children to go to college and learn something that will help them get a job after they graduate. After four or more years of college, many graduates would prefer to take some time off to see the world, or just find themselves. In the movie, Back to School, Rodney Dangerfield was cast as a parent who goes back to school primarily to get his son to stay in school so his son can get an education and a job. Rodney is invited to give the college commencement address. "It's a jungle out there," he says. "So my advice is don't go. Live at home. Let your parents worry about it." Perhaps this is the sociological reason for the growth of staffing agencies to provide people with jobs.

According to MSN Encarta, the word job is a "noun and a verb:

noun (plural jobs) Definition: 1. paid occupation: an activity such as a trade or profession that somebody does regularly for pay, or a paid position doing this

She's got a new job.

2. task: something that remains to be done or dealt with

I have a couple jobs to do this afternoon.

several jobs around the house

3. assignment: an individual piece of work of a particular nature

We managed to complete the job in under a week.

4. function: the role that somebody or something fulfills

It's her job to look after the finances.

5. difficulty: something that is difficult to accomplish

I had quite a job getting it to start.

6. quality of work done: a completed piece of work of a particular quality

They did a very good job on the exterior.

7. particular kind of object: a particular kind of object, especially a manufactured item (informal)

one of those big four-wheel-drive jobs

8. crime: a criminal act, especially a robbery (informal)

a bank job

9. computer programming task: a computer programming task run as a single application or unit"

All of the nouns, with the exception of crime, relate to what staffing agencies provide. As a verb, with the exception of a jobber who deals in wholesale merchandise, most of the definitions relate to what staffing agencies do:

“verb (past and past participle jobbed, present participle job•bing, 3rd person present singular jobs) Definition:

1. intransitive verb work occasionally: to take occasional or casual work

He jobs as a gardener from time to time...

2. transitive verb distribute work to others: to subcontract portions of contract work to others

job out the plumbing work on the house”

It would be unusual for most staffing agencies to provide a songwriter or an artist to a business. This is a pity because there are so many songwriters and artists that need jobs. One of the greatest vocal rock and roll songs ever written was called Get A Job by the Silhouettes. It was recorded in the late 1950's. It was a number one hit on the pop charts and it sold over one million copies. The song was written by Richard Lewis after he completed his military service. When he came home he had no work and his mother told him to “Get A Job” and this inspired him to write the song.

The lyrics are:

“CHORUS

Sha na na na, sha na na na na(repeat 4x)

Yip dip dip dip dip dip, bum bum bum bum bum bum

Sha na na na, sha na na na na

Well, from about the time every morning when she wakes me up and cries, "Get a job!"

Well, after breakfast every day, she throws a polish on my way and never fails to say (bass)Get a job

REPEAT CHORUS

Oh, oh, and when I get the paper

I read it through and through

And my girl never fails to see

If there is any work for me

BRIDGE

And when I go back to my house

I hear my woman's mouth

Preachin' and a-cryin', tell me that I'm lying 'bout a job”

Whoa-ooh-oh, and when I get the paper

I read it through and through

And my girl never fails to see

If there is any work for me”

If Mr. Lewis had other marketable skills he might have joined the legions of people working for the staffing agency industry. One of the biggest concerns of a growing staffing agency is cash flow. To grow into a multimillion dollar business, it takes a considerable amount of cash. Payroll obligations must be met every two weeks to pay staffing agency employees, but the actual employers (i.e. the companies that are using the staffing agency people) may take 30 to 60 days to pay their bills. Accounts receivable financing can provide staffing agencies with virtually unlimited cash for growth. The main requirement is to have staffing agency employees working for creditworthy businesses.

This financing technique can accelerate cash flow for exponential growth because the cash for the invoices is available immediately every time an employer is billed for services rendered. Commercial finance companies are the primary providers of accounts receivable financing for staffing agencies; some banks are involved in financing larger, multi-million dollar transactions that are low risk. As a general rule, banks will not provide accounts receivable financing for a staffing agency that is a start-up or for one that is growing very rapidly in the early years of their business.

The bottom line: if you need to get a job, a staffing agency may be an excellent choice to find work on your terms; if you need cash flow to grow a staffing agency, accounts receivable financing may be an excellent choice for financing growth without bank terms.

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