



Accounts Receivable Financing and the Components of Working Capital

ebook

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➤ A solution for an all-too-common business problem

The disconnect between making a sale and receiving payment are a frequent concern for companies throughout the global economy.

Have you encountered the all-too-common problem of lacking available funds for your business despite steady sales and smoothly operating production lines or service providers? The disconnect between making a sale and receiving payment, fueled by industry-standard accounts receivable delays of as much as 90 days, are a frequent concern for companies throughout the global economy.

Accounts receivable financing uses the sales your business has already secured to provide funding through a line of credit that can be replenished as soon as an unpaid invoice is in hand. By partnering with a financial institution to effectively address working capital concerns, you put your company on solid financial footing with a uniquely effective approach.

➤ Working capital woes and how you can avoid them

Working capital is needed for everything from keeping the lights on and paying employees to addressing emergencies and taking advantage of potentially lucrative opportunities. The funds your company uses on a day-to-day basis are vital for steady operations and generally staying open for business. The problem of unpaid invoices sitting for as long as a quarter before you can expect to be paid has a direct impact on working capital – this liquid, flexible asset is among the first drained as the A/R team and organization as a whole have to wait for payments to come in.

The best way to address this significant concern is with a solution designed specifically for businesses to overcome A/R delays and issues with unpaid invoices: A/R financing.






The only thing you need to cover the line of credit A/R financing provides are your unpaid invoices.

> Boost your working capital with A/R financing

A/R financing is tied directly to your sales, which makes it uniquely suited for managing working capital concerns. Your company doesn't need to worry about putting up critical assets as collateral – the only thing you need to cover the line of credit A/R financing provides are your unpaid invoices. With the right financial institution as your partner, you can continue to exchange invoices for credit, too. That means you create a sustainable financial bridge between sale and payment as opposed to a lump-sum loan that would do little to address working capital concerns in the long run.

➤ The many benefits of stable working capital

With an A/R financing agreement established, your company no longer has to wait for payments from clients or wonder exactly when the money already owed to you will arrive. You'll no longer need to dip into available working capital to the point where opportunities and responsibilities can't be effectively addressed. Instead, you'll have the necessary funding to reliably pay bills and meet payroll as well as position your organization to quickly and effectively respond to any unpredictable developments. Whether a critical piece of your production line fails catastrophically despite regular inspections and maintenance or a deep discount on vital raw materials for your products appears, you'll have the liquidity to quickly act and minimize damage or maximize the value of the opportunity.



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➤ Partner with TAB Bank to find a great A/R financing partner

TAB Bank has many years of experience helping businesses large and small smooth out the problems of unpaid invoices through the powerful process of A/R financing. With our deep organizational knowledge and expertise, you can rest assured you have a capable and experienced partner providing your company with an invoice-based line of credit to successfully address A/R delays and unpaid invoices. We're happy to offer more than just a line of credit, too.

When you partner with TAB Bank, you benefit from a dedicated relationship manager's personalized attention, credit analysis and collections management assistance and streamlined online business and banking tools that make 24/7 management of your credit line a simple task.



To learn more,
get in touch today!



 tabbank.com  1.888.440.4541  4185 Harrison Blvd, Ogden, Utah 84403