

Title:

Factoring Canada - How To Finance Your Canadian Business

Word Count:

374

Summary:

Do you live in Canada and own a business? Learn how to obtain business financing for your Canadian business.

Keywords:

factoring canada, canadian factoring, factoring , invoice factoring, factoring financing

Article Body:

Financing a business in Canada has its unique set of challenges. If you are like most business owners you have probably relied on the banking industry to obtain financing. However, obtaining business loans is difficult. Your business must have years of profitable operation experience in order to qualify. But what if your business is new (but growing)? Or, what if you don't qualify for a business loan but still have a great business?

You have two options, and they are not available from your bank. They are available from a factoring company. Do you have one of these two problems?

Problem: Your clients take up to 60 days to pay. You need payment faster!

Waiting up to 60 days (or sometimes more) to get paid can be very challenging for a business owner. Especially if you have regular expenses, such as salaries, rent and suppliers that must be paid. The solution to this challenge is to factor your slow paying invoices. Factoring (also known as invoice discounting) allows you accelerate client payments, reducing the 60 day wait to 2 days. It's very easy to obtain and the main requirement is that you do business with good commercial or government clients.

Problem: Your client just placed a large order. You need money to pay suppliers.

If you are a distributor, wholesaler or reseller, then you have a unique set of challenges. You have suppliers that need to be paid quickly and clients that want to pay slowly, leaving you trapped in the middle. The solution for this challenge is purchase order financing. Purchase order financing covers up to

100% of your supplier payments, enabling you to deliver the goods and close the sale. With purchase order financing you can accept big orders with confidence, knowing that you'll be able to deliver.

Is factoring or purchase order financing for you?

These financing products work great if you meet two very important criteria. First, your profit margins must be above 10%, and ideally closer to 20% (or more) Second, you must do business with reputable commercial clients or the government. If you meet these two criteria, then these products should help you grow your company and take it to the next level.