



5 BUSINESS SCENARIOS FOR USING INVOICE FINANCING

Invoice financing alone is not a cure-all for cash flow problems, but it does have the potential to transform a company that may be financially underachieving. For a company to use it, its customers must be creditworthy, and the profit margins the company operates under need to be able to absorb the financial cost of the transaction.

Invoice financing has a wide range of applications, but it is best suited for the following scenarios:

Difference in customer and supplier payment terms

In manufacturing, suppliers need to be paid right away, but customers need more time to pay, and this creates a gap or misalignment in the time when cash goes out and the time cash comes in. This, in turn, leaves the cash flow in a troubled spot, jeopardizing the entire company's assets.

Companies experiencing rapid growth

A fast-growing company has exciting prospects ahead as long as it is financially capable of meeting the demand. Taking on new contracts and planning production to meet future demand means spending money ahead of making money. Releasing funds tied up in invoices allows a company to improve its working capital and realize its potential.

Companies with mandated financial ratios

From an accounting point of view, invoice financing is not considered debt, making it

an attractive option for companies that need to maintain specific financial ratios, such as debt-to-income.

Companies with seasonal activities

Maintaining consistent cash flow is especially challenging for seasonal businesses. If we take the example of a seasonal distributor, they sell products for a short time and store any remaining inventory for the rest of the year, which is costly. With the help of invoice financing, a company operating in this way can encourage customers to buy sooner and pay later to move inventory faster.

Transactions in foreign currencies

When an invoice is issued in a foreign currency, there is a risk that the exchange rate will drop and result in the company receiving less for the invoice than planned. Introducing an invoice financing company into this transaction eliminates or lowers this risk because there is no waiting between invoicing and payment.



HOW TO RUN EFFECTIVE MEETINGS

“Meetings should have as few people as possible, but all the right people” -- Charles W. Scharf

Having too many meetings with weak outputs is common in today's workplaces filled with over-busy, overbooked calendars. People often ask themselves: why am I even here attending this meeting?

There are, however, secrets to running productive and effective meetings. We are sharing the below 6 steps as a great place to start if you want to improve the meetings with your team:



1. Define the purpose of the meeting.

What is the goal of the meeting? Is it to announce a new change in your billing process? Is it perhaps to reveal a significant deal to the team? Are you dealing with a challenge in your accounting process, and are you seeking insight from qualified staff? Whatever the purpose is, ensure that you have a defined plan instead of a vague idea.

2. Develop a plan for the meeting.

Have a list of things to cover during the meeting -- nothing worse than omitting relevant information and missing out on focused attention.

3. Select the participants.

Do some attendees seem disengaged? Are they contributing their thoughts or sitting quietly? Perhaps they do not need to be there. Be respectful of your and your employees' time by organizing the meeting around those who can provide insight.

4. Determine the length of the session.

Four-hour-long meetings have a counter effect. People become disengaged and perhaps even confused about the path forward. Keeping things concise and clear is essential to ensuring everyone's headspace is where it needs to be.

5. Create concrete follow-up steps and action items.

What needs to happen after the meeting is closed off? Action items are the best way to ensure people take accountability and move forward with the proposed plan.

6. Curb any technology distractions.

People playing on their phones or taking calls and disrupting the meeting does not serve anybody. Meetings should be a tech-free zone if you want them to be productive.

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