

Think Opportunity and Growth!

***Alternative Financing –
Powerful Working Capital Solutions
for Small Business***

www.infusionfunding.com



Who Are We?

Infusion Funding LLC.....

....A New York City Certified Woman Owned Business Enterprise

We provide financing solutions for small business enterprises including new businesses. We work with our clients to provide the best options to meet their financial requirements and we do so quickly and professionally. We are able to do this through our many years of business experience and our close alliances with a select group of funding companies that specialize by industry and by financial solution for small businesses. This encompasses a wide range of businesses such as manufacturing, services, distribution, etc. and includes more difficult to finance industries such as construction, medical, and transportation.

Think Opportunity and Growth!
Powerful Working Capital Solutions for Small Business



Best Practices - Know Your

- Banker/Other Financial Sources
- Credit Report
- Opportunities/Financial Requirements
- Business Advisor (SBDC, PTAC, Economic Development Group, etc.)

Sources of Money

- Family/Relatives & Friends
- Business Associates
- Suppliers-Dating & Extended Terms
- Customers-Down Payments & Pre-payments
- Lease Companies
- “Special Equipment” Companies-leases with buy back
- Financing of Inventory or Accounts Receivable
- Purchase Order Funding
- Pledge of Specific Contracts, usually bank financing
- Credit Unions
- Banks
- Savings and Loan Associations
- Small Business Administration (guarantee)
- Micro-loan Programs
- Local Development Corporations (504 Loans)
- State Economic Development Agency (EDA)
- Local Revolving Loan Funds
- Mortgage Brokers
- Insurance Companies
- Federal Agencies i.e. Veterans Administration
- Angel and Venture Capital

The Small Business Financing Situation

***Opportunity knocks but your ability to answer is limited.
You could use more funds!***

As a small company there are many times when traditional financing is not available, is not enough, or cannot be obtained quickly enough.

The result is that your ability to increase profit, to grow, or even to survive is limited.

You may very well have assets in your company that you can leverage for funds through *Alternative Financing*.

What Is Alternative Financing?

Working Capital Financing Solutions

- Accounts Receivable Financing/Factoring
 - Line of Credit from Financing Your Receivables
- Purchase Order Funding
 - Fund Your Orders with Other People's Money
- Credit Card Receivables Funding
 - Unsecured Loans Based on Credit Card Receipts History

Think Opportunity and Growth!
Powerful Working Capital Solutions for Small Business



Background on Alternative Financing

- Been In Use Since Ancient Times
- Greatly Used in the Financial Industry
- Recently Has Become Available for Small Businesses
- Special Place in Financing, More Expensive Than Traditional Financing But More Available, More Flexible, More Opportunistic

Think Opportunity and Growth!
Powerful Working Capital Solutions for Small Business



Why Would You Use Alternative Financing?

- Too New for Traditional Financing
- Faster Growth and Larger Opportunities Than Traditional Financing Will Handle
- Need Working Capital Quickly
- Can Deal With Special Situations, Examples:
 - Cash timing issues
 - Certain industries such as services may not be well suited for traditional financing
 - May need invoice handling along with financing that is not provided by lenders
 - Tough to finance businesses such as construction contractors
 - Low credit, bankruptcies, judgments, tax liens, etc.
 - International orders

Alternative Financing Mindset

“Cash is King!”

- Think Transactions
- Think Opportunity
- Think Creditworthy Customers
- Think Cash Timing
- Think Out of the Box: Not a Loan

Think Opportunity and Growth!
Powerful Working Capital Solutions for Small Business



Examples of The Value of Alternative Financing to Your Business

- Move to the Next Level of Success
- Increase Your Profit
- Fund Your Growth
- Stay in Business
- Meet Payroll
- Pay Taxes
- Fund New Product Development
- Assist with Seasonal Fluctuations
- Fund Increased Sales
- Acquire New or Updated Equipment or Repair Current Equipment
- Take Advantages of Trade Discounts
- General Working Capital
- Marketing
- If Needed, Establish Credit History
- **Many Other Benefits...**

Key Qualifiers for Accounts Receivable Financing

The main considerations to qualify for accounts receivable financing:

- Have creditworthy business or government customers.
- Currently In business (can be brand new), either currently invoicing or can be about to start invoicing. Even the first invoice can be financed.
- Up to date on tax filings and any pending or previous issues are resolved (if need be, can be paid by the funder through the funding process). Examples of this are bankruptcies, tax liens, existing loans, delinquent payments, etc.

Qualification requirements for accounts receivable financing are less than traditional lending. Compared to commercial loans or SBA loans there are no requirements for length of time in business, limited credit score minimums, no business plans needed, no collateral required and the entire process to be accepted for funding and to obtain first funding typically takes place in two weeks or less.

Examples of Types of Companies That Can Use Alternative Financing

- Staffing: IT – Staffing and Consulting, Medical -Home Health Care, Nursing, Security, Janitorial, Office, etc.
- Manufacturing
- Printing
- Garment/Textile
- Suppliers or Distributors
- Food Manufacturing or Distributing
- Transportation, Freight
- Professional Services – Architects, Engineers, Consultants
- Commercial Contractors: Electrical , Plumbing , Carpenters, Framing , Scaffolding, Flooring, etc.
- Bonded Contractors
- Landscapers
- Retailers doing business to business such as florist, restaurant, caterers
- Retailers accepting credit cards can use credit card receivables financing

Is Alternative Financing A Good Option For Your Business?

- *Infusion Funding LLC - Key Points to evaluate for your business:*
- **If your customers paid 70-80% immediately when they receive your products or services would this help your business?**
- What is typical payment time now?
- In what ways would it help your business? What would you do with the money compared to your cash management today?
 - Do you have cash issues due to payment timing?
 - Could your business grow faster if you received payments immediately?
- **If you had unlimited working capital, are there orders that you could pursue that you don't pursue today because of lack of available funds?**
- What are the results for you and your business if you leave things as they are now? What if you had unlimited working capital funding?
- Are your funding requirements short term or over a period of months or years?
- What are your other financial options?
- **Follow up:** Does it make financial sense for you to use alternative financing?

Think Opportunity and Growth!
Powerful Working Capital Solutions for Small Business



Accounts Receivable Financing

- After a brief qualification period that generally takes around two weeks, funds will be immediately available as you need them based on financing your receivables.
- If you do business to business (or government) and you have a good base of credit worthy customers, you are likely to qualify for A/R Financing. Your financial position, fixed assets and the age of your business have little bearing on your qualification.
- With this process, your invoices are financed by the funder, 70-90% of the invoiced amounts are immediately available to you, and when the invoices are collected you receive the remaining funds less a small fee. This process and its cost is very similar to credit cards in retail. You can finance as many or as few invoices/customers as you need for cash flow...all off balance sheet!
- The amount of funds available to you through A/R Financing grows as your business grows and is only limited by your business growth. It can be used in conjunction with other financing options or by itself. It can be a long term solution or to meet short term requirements.
- You can save costs and help focus your business by having us handle credit checks and collections while we provide professional cash flow reports to help you run your business.

General Considerations for Accounts Receivable Financing

- Similar but differing versions of A/R Financing such as Factoring, Asset Based Lending, etc. In some cases, receivables are purchased, in other cases prime plus interest rates are offered. Availability depends on size, maturity of business, amount of time funding needed, etc.
- Business is engaged in business to business (or business to government).
- Has credit worthy customers with a track record of paying their bills.
- Any industry, even harder to finance industries such as construction, medical, and transportation.
- New businesses eligible.
- Businesses such as services without significant hard assets that have cash timing issues between costs, opportunities, and payments.
- Can be in conjunction with other financing, need first position on receivables.
- May require personal guarantee, but no lien on home!

Purchase Order Funding

Use Other People's Money to Finance Your Orders!

- For distribution companies and some light manufacturing companies it is possible to have cash advanced to help fund contracts
- Firm order
- Sufficient margin and size of order – depends on product
- Used frequently for international suppliers
- Funder pays client's supplier
- Items shipped to client's customer, invoice sent out
- Invoice financed by Accounts Receivable Financing, PO Funder Paid
- Customer pays A/R Funder
- Client receives margin
- **Little or no cash required from client for transaction! Go for large orders!**

Credit Card Receivables Financing

- For any company that accepts credit cards.
- No collateral required
- Must have a storefront (not internet only)
- Funding is based on the monthly average of the past 6 months credit card receipts
- Maximum money advanced is approximately the average total monthly credit card receipt amount
- Money advanced is usually paid off over 7-12 months. Payment amount is deducted daily as a portion of credit card receipts directly from the merchant processor or from the client's bank, usually 15-20% of receipts
- More funds can be advanced when the previous advance is paid
- Funding can happen in a few days
- This is an excellent solution for financing in many situations such as a company that needs a certain amount in addition to loans that they may have or a company that is having trouble obtaining a loan

Followup – Next Steps

- » Determine Financial Needs
- » Choose Funding Alternatives
- » Determine Best Solution →

Financial Impact of Funding!

	BEFORE	AFTER
Revenues	\$	\$++
Cost of Goods Sold	\$	\$+
Gross Profit	\$	\$++
Variable Costs	\$	\$+
Fixed Costs	\$	\$
Net Profit	\$	\$+++

- » Application and Quick Approval
- » Begin Funding
- » Business Growth!

Think Opportunity and Growth!
Powerful Working Capital Solutions for Small Business



Summary

Think Opportunity and Growth!

Get Creditworthy Customers!

Realize Your Dreams!

Good Luck!

Think Opportunity and Growth!
Powerful Working Capital Solutions for Small Business



For More Information
Please contact us at:

Infusion Funding LLC

www.infusionfunding.com

120 East Main Street #160
Ramsey, NJ 07446

Phone (866) 461-1778
(201) 258-4503

Fax (866) 524-8105

info@infusionfunding.com

Think Opportunity and Growth!
Powerful Working Capital Solutions for Small Business

