

Confidential AR Finance : The Inside Secret To Financing Receivables Via Factoring



Practically Invisible A/R Financing?



OVERVIEW – Information on how Confidential AR Finance works in Canada .

This subset of ‘factoring’ allows businesses to run and grow their business without any 3rd party intrusion . It’s the non bank business credit line for working capital needs.



Confidential A/R Finance is a method which allows Canadian business owners and financial managers to benefit from the best parts of accounts receivable factoring. How is this method superior to traditional AR finance? Let's dig in.

Carrying a business receivable of course always involves some level of risk. Your ability to both manage and monetize your sales into cash is one benchmark of any successful business. That cost of extending business credit to customers is a key part of how factoring works, and in particular confidential receivable finance, also known as non-notification factoring.

If you're not financing your receivables through a bank you either are self financing, and comfortable and successful with that, or are simply unable to meet bank starts for all the working capital business credit you need.

Naturally if you your business can't finance your working capital and cash flow needs you are not in a position to support sales through the ability to finance customers, purchase inventory, and fund operating expenses.

While the majority of clients we meet seem to focus on both trying to understand how this method of financing works , or what it costs they seem to forget some of the other key benefits of financing your firm in this manner.

Those benefits include:

The ability to substantially strengthen and increase supplier relationships - i.e. paying them on time, purchasing more

The ability to capitalize on opportunities for growth - that might include larger contracts or new customers in other geographies within Canada or the U.S. (Non North American

receivables tend to need to be financed via credit insurance of some type)

Your overall business credit rating is critical to your long term success and factoring via confidential AR finance as payables can more easily be managed among all suppliers

Don't forget also that typically there is no upper limit in your borrowing power under a commercial A/R financing facility. That differs substantially from Canadian chartered bank credit lines, if only for the fact that those bank facilities tend to be capped at a certain limit. We should mention also that many customers who can in fact get approved by a bank often find themselves in the position of having a low cost of funds but not being able to access all the capital they need.

So how does Confidential A/R finance work ? While it is priced competitively to other forms of non bank financing it allows you to bill and collect your receivables under your own name- accessing all the capital you need in relation to your sales growth . So, in our words, success and still being ' practically invisible ' !

If you're interested in exploring what top experts deem to be the most innovative part of factoring seek out and speak to a [trusted, credible and experienced Canadian business Financing Advisor with a track record of success](#) who can help you make that ' inside secret ' into cash flow success.

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Have A Question /Comment On Our Blog Or Canadian Business Financing Alternatives ?

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