

IT Cash Flow Problems Solved: A Factoring Success Scenario

This success scenario is Part One of a six part series designed to illustrate how invoice factoring can sustain and grow businesses in various industries.



Factoring for the IT Industry

In Part One we will explore the positive impact of factoring, also referred to as accounts receivable financing, on a business in the Information Technology Industry. In successive posts we will explore factoring scenarios in the following industries:

- Printing / Publishing
- Wholesale / Distribution
- Manufacturing / Fabrication
- Staffing / Temporary Personnel
- Advertising / Communications

*We hope you enjoy this series of factoring scenarios and learn how Universal Funding can improve your cash flow and ensure the growth of your business. For the purposes of this successful factoring scenario we will call our IT company, Info Techies, Inc.**

Providing its clients with a wide array of IT services, Info Techies had been operating at the same level of business for about five years. Although the owners had a desire to grow, it seemed as if some little problem or issue would always arise as soon as there was enough extra cash on hand to add a new product or service. If it wasn't one thing it was another that continually kept Info Techies from taking the business to the next level.

As technology naturally advances, the team began to notice a rising number of requests for offsite hosting services maintained by Info Techies. Because they didn't have this capability, they began to experience a decline in business. The competition was consistently winning over prospective and existing clients by offering a more comprehensive IT package. It was clear that they needed to move quickly or they would get left in the dust.

Adding the additional equipment, staff, and training was very expensive and Info Techies didn't have the extra cash to purchase anything outright, or the additional [cash flow](#) to make monthly loan payments or pay additional staff. They knew that the new service would increase the number of clients and take the business to the next level, but traditional business financing was not the answer.

Their accountant knew of an [accounts receivable factoring](#) company that could advance cash against Accounts/Receivable invoices. Just in the first month of factoring, Universal Funding Corporation provided enough cash that Info Techies could buy the necessary equipment outright. The second month of factoring afforded the information technology company two very qualified engineers who set up the system and trained the rest of the team.

By the third month of factoring, Info Techies was advertising their new service and had acquired six new clients. The new hosting service was such a success by month four that Info Techies had to add another server to accommodate the needs of an existing client that decided to expand along with them. [Factoring invoices](#) allowed Info Techies to meet the growing demand for their services as it was presented, rather than continuing to lose potential clients to the competition.

To find out how your company can benefit from factoring with Universal Funding Corporation, fill out our [short form](#) or give us a call at 1-800-901-2418. We can approve your application as quickly as two business days and wire cash into your account within a few hours of approval.

* Not actual name. Representation based upon a combination of general examples.

**All dollar amounts are approximate value.