

CHOOSING A FINANCIAL PARTNER: HOW THE OPTIONS COMPARE

We've broken down three main options so you can more easily compare what each service provides.

	TRICOM ABL	Bank Line of Credit	Factoring
Credit Line Increases	Proactive	30 – 45 Days	2 – 3 Days
Reporting	Yes	None	Limited
Personal Guarantee	Required	Required	No
Borrowing Base Certificate	No	Yes	No
Credit & AR Management Support	Yes	No	Yes
Staffing Specific	Yes	No	No
Clearance Delays/Funds Available	No	Yes	Yes
Financial Reporting Requirements	No, up to \$5M	Yes	No

When reviewing your options, you also need to consider the impact your financial provider — and how they structure the funding relationship — will have on your business.

It's not just about money. Your financial provider may also impact your business's growth goals, customer relationships, total/true costs (when figuring in additional fees), and whether or not you'll have a resource vs. vendor relationship.

That last point may make a bigger difference than you realize.



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CHOOSING A FINANCIAL PARTNER: QUESTIONS TO ASK

Ask these questions to ensure you're getting a full picture of the relationship before you take the plunge:

Questions to Ask



- What are the funder's lending limits?
- How does the funding process work?
- How will the funding source interact with my customers?
- What is the process to increase my line of credit?
- When are the payments posted?
- What period of time does my rate cover?
- How long has the financial provider been in business?
- What are their hours of operation?
- Will someone be there when I have a question?
- What is the organization's size (number of employees and clients)?
- What is their client retention rate?
- What are the terms of the agreement?

What additional fees might I incur?

- Line usage fee?
- Initial application cost?
- Due diligence/underwriting fee?
- Loan fee?
- Line of credit increase fee?
- Lockbox fee?
- Annual audit fee?
- Clearance delays and corresponding additional days of interest?
- Wire or ACH fee?
- Financial reporting requirements?
- Search and filing fees?
- Misdirect fee?
- Missing notation fee?
- Late reporting fee?
- Over formula fee?
- Credit reports?

Most importantly: Does their business philosophy match yours? Will they help you reach your business goals?



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