

Surge in Late Payments Creating Friction for Small Businesses

As economic conditions remain uncertain and delinquent receivables climb, small businesses struggle to meet their own financial obligations and thrive.

EL PASO, TEXAS, USA, September 14, 2023 /EINPresswire.com/ -- Leading invoice funding company Viva Capital says small businesses across the country are struggling with cash flow issues, brought on by delinquent receivables. Additional coverage of the topic is available in "8 Simple Ways to Encourage Your Clients to Pay on Time," which is [now live on VivaCF.net](https://www.vivacf.net).

Greg DiDonna, President and Partner of Viva Capital, says that roughly nine in ten small businesses experience late payments on average. Around a quarter say that late payments have recently increased, per FSB surveys.

More than half of all late payments made from large companies to small businesses are deliberate, YouGov research alleges. In these cases, payments are often withheld as a strategic measure to help manage cash flow at the expense of small businesses.

"Unfortunately, small businesses aren't always diligent about running client credit checks and setting firm policies for late payments, which increases the likelihood of slow payments," DiDonna explains.

He says that Viva's main goal is to accelerate cash flow for their clients, but because they do credit checks before trade credit is extended, they're able to warn their clients when a specific customer has a habit of engaging in this type of behavior. They've also discovered that companies tend to pay quicker when a factor becomes part of the equation.

Due to difficult economic conditions, many small businesses have difficulties paying their





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invoices on time too. This slows cash flow and makes it difficult for businesses to pay their own bills, plus increases the likelihood of bad debt. One in ten invoices that are 30 days overdue won't be paid at all, according to the Commercial Collection Agencies of America. At 90 days overdue, three in ten invoices become bad debt.

“There are many causes for late payments, so solutions must be multifaceted, too,” DiDonna continues. “Take care of your customers and build strong relationships to improve speed of payment but have consequences for slow payers and be prepared with a backup funding

source.”

DiDonna notes that factoring may be ideal in these situations because it offers greater flexibility and accelerates payment on invoices rather than forcing the business to take out a loan to cover expenses. Those interested in learning more about invoice factoring are encouraged to request a complimentary rate quote [at VivaCF.net](https://www.vivacf.net).

ABOUT VIVA

Founded in 1999, Viva helps B2B businesses of all types accelerate cash flow through specialized funding solutions like factoring, accounts receivable financing, and asset-based lending. Their simple qualification process makes it easy for small and mid-sized companies to get vital funding despite lack of credit or time in business. Additional information is available at [VivaCF.net](https://www.vivacf.net).

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