

# Small Businesses Find Invoice Factoring Worth the Cost

*Speed of payment and easier access to funding make factoring a worthwhile option for businesses across the country, a new report shows.*

EL PASO, TEXAS, USA, January 11, 2024 /EINPresswire.com/ -- Leading invoice funding company Viva Capital says more small businesses are weighing the cost of factoring and finding it worthwhile. Additional coverage of the topic is available in "[The Cost of Invoice Factoring: Is it Worth It?](#)" which is now live on VivaCF.net.

Invoice factoring, a form of business funding that allows companies to obtain working capital instantly by selling their unpaid B2B invoices, is getting more attention among small business owners. It offers unique benefits, such as an easy approval process, flexibility, and debt-free funding, which sets it apart from other types of funding like bank loans, says Greg DiDonna, President and Partner of Viva Capital.

“

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*Greg DiDonna*

DiDonna notes that factoring doesn't work like a loan, so the fees are structured differently, too. Whereas loans typically pay out in one lump sum, which the business must pay back in installments with fees and interest, the factoring company pays the business in two installments when an invoice is factored. The first installment comes

immediately, and the second comes when the client pays their invoice. A small factoring fee is held on the second payment to cover costs.

“Businesses find it refreshing not to be burdened with debt despite receiving funding,” DiDonna explains. “It allows them to continue moving forward rather than being held back by ongoing



payments.”

He notes that factoring fees are typically between one and five percent of an invoice’s value, which can put the costs slightly higher than a traditional loan but less than other forms of alternative funding and often options like credit cards and lines of credit.

“Factoring is freedom for many small businesses,” DiDonna explains. “The benefits extend beyond funding; they can manage cash flow better and grow.”

Factoring companies also work more like partners and address other aspects of the collections process, such as customer credit checks and collections. This helps improve business efficiency and boost profitability, adding to the value of factoring.

Those interested in learning more about invoice factoring are encouraged to contact Viva Capital at [VivaCF.net](http://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](http://available at VivaCF.net).

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