

# Small Businesses Benefitting from Factoring in Surprising Ways

*As economic conditions continue to create invoice collection challenges, small businesses leveraging factoring gain an edge.*

EL PASO, TEXAS, USA, February 9, 2024 /EINPresswire.com/ -- Leading invoice funding company Viva Capital says small businesses are seeing unexpected benefits from invoice factoring that help them gain an edge despite current economic conditions. Additional coverage of the topic is available in ["5 Benefits Factoring Companies Offer Other Than Factoring."](#) which is now live on VivaCF.net.



The Viva Capital report comes on the heels of a recent Atradius report, which indicates delinquent B2B payments and bad debt are on the rise. More than half of all invoices are now overdue, and nine percent of invoiced balances are written off as bad debt. Surveys show the potential of a prolonged global economic downturn remains a chief concern for business owners.

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*Armando Armendariz*

These cash flow challenges have created a surge in interest in invoice factoring, an alternative funding solution that allows businesses to accelerate payment on their B2B invoices. The process involves selling invoices to a factoring company. The business's customers clear the balances as invoices are paid. This means most businesses qualify, even when they've been denied loans. Plus, no debt accrues, a major boon as interest rates soar.

“It's often the reduction of bad debt that surprises businesses the most,” explains Armando

Armendariz, Director of Business Development and Partner of Viva Capital. “When business owners stop hemorrhaging money, particularly while bad debt rates are sky-high for other businesses, they’re floored.”

Armendariz says bad debt reductions are often seen in businesses that leverage factoring because factoring companies check their customers’ credit before factoring and offer guidance that helps minimize risk when extending trade credit. He notes that businesses typically see a reduction in overhead costs related to collections, too.

“We see a lot of small businesses spending around 15 hours each week on invoice-related tasks like chasing payments,” Armendariz continues. “Much of that simply evaporates when they factor because we take care of collecting balances for our clients, so their labor costs reduce and their ability to focus on their business improves.”

Those interested in learning more about invoice factoring are encouraged to [contact Viva Capital 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.

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