

Rapid Business Growth Increases Failure Risk, Report Shows

Challenges associated with rapid growth cause two-thirds of fastest-growing companies to shrink, stagnate, or fail.

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/EINPresswire.com/ -- Leading invoice funding company, Charter Capital, says businesses experiencing periods of rapid growth are less likely to thrive than their counterparts. Complete coverage of the topic is available in "How to Solve the Financial Challenges of Rapid Growth with Factoring," now live on charcap.com.



Solve the Financial Challenges of Rapid Growth with Factoring

The report draws on an analysis of Inc.'s 500 fastest-growing private companies, noting that fast growers perform worse than their counterparts five to eight years after making the list. In all, two-thirds shrink, stagnate, or fail.

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Gregory Brown

“Most business owners are focused and trying to grow,” Gregory Brown, Co-founder and Executive Manager at Charter Capital, explains. “But they’re not always prepared for the dynamic shift that comes with rapid growth and how that brings cash flow issues and other challenges to a head.”

Brown notes that businesses often struggle to meet increased demand between needing to onboard new

employees, the increased workload, unscalable processes, and additional supply requirements. This frequently results in issues like reduced quality, increased customer complaints, and accelerated customer attrition. As customer needs continue to go unmet, the company's reputation takes a hit, and sales volume drops – sometimes to an unrecoverable level.

“A working capital injection can help businesses meet increased demand without sacrificing quality or service,” Brown continues. “Yet, small businesses are underserved by the traditional banking community, so they often try to push through like they always have. It just doesn’t work when sales volume is rapidly climbing.”

Brown contends that alternative funding solutions like [invoice factoring](#) are ideal in these situations because they don’t have the same criteria for approval. Rather than taking out a loan, the business can accelerate payment on its B2B invoices by selling them to a factoring company at a slight discount. Because it works differently than loans, most businesses qualify. Moreover, the cash advance comes from money the business has already earned, so there’s no debt to pay back – a boon for forward-thinking companies that don’t want to be held back by debt payments as they grow.

Those interested in learning more about invoice factoring or who would like to request a complimentary quote may do so by calling +1-877-960-1818 or visiting charcap.com.

About Charter Capital

Headquartered in Houston, Texas, Charter Capital has been a leading provider of flexible funding solutions for the B2B sector for more than 20 years. Competitive rates, a fast approval process, and same-day funding help businesses across various industries secure the working capital necessary to manage daily needs and grow. To learn more, [visit charcap.com](http://visit.charcap.com) or call +1-877-960-1818.

Keith Mabe

Charter Capital - Factoring Made Simple

+1 877-960-1818

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