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Financial Challenges Putting Small Business Strength at Risk

With the majority of small businesses reporting financial challenges, strengthening business financials is key to long-term survival and health.

Charter Capital - Factoring Made Simple

HOUSTON, TX, UNITED STATES, August 26, 2026 /EINPresswire.com/ -- Leading invoice funding company Charter Capital reports that small businesses across the nation are facing financial challenges and may be at risk of closure. Applying proven strategies to strengthen business financials is key to long-term survival and health. Additional insights are shared in "5 Effective Ways to Strengthen Your Company's Financials," now available at CharCap.com.

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>
> *Gregory Brown, Co-founder and Executive Manager at Charter Capital*

SMALL BUSINESS FINANCIAL CHALLENGES MOUNT AND CREATE RISK

The vast majority of small business owners report one or more financial challenges.

> Uneven Cash Flow: 50 percent of small businesses say uneven cash flow is a challenge.

> Increasing Broad Costs: 73 percent are struggling with the increased costs of goods, services, and/or wages.

> Rising Operating Expenses: 54 percent are having difficulties covering operating expenses.

> Frequent Closures: Around 595,000 businesses close or fail each year, with the vast majority underpinned by cash flow issues.

"Broad financial challenges like we're seeing today can create strain in otherwise stable businesses," explains Gregory Brown, Co-founder and Executive Manager at Charter Capital.

"However, the pressure is increasing even more for those that are growing."


5 Effective Ways to Strengthen Your Company's Financials

THOSE THAT STRENGTHEN BUSINESS FINANCIALS REDUCE RISK

Brown says that, despite these challenges, those that strengthen business financials can manage external pressures better and reduce their overall risk.

> Improve Cash Flow Consistency: Improving consistency by shortening accounts receivable cycles, receiving immediate payment through invoice factoring, or delaying non-essential expenses makes forecasting, budgeting, and managing cash flow easier.
> Reduce Expenses and Optimize Operating Costs: Conducting regular expense audits, shifting to variable costs that keep pace with business, and leveraging automation can reduce strain by lowering operating costs.
> Follow Reporting and Financial Controls Best Practices: Establishing clear roles around financial tasks, maintaining accurate, real-time financial records, and monitoring key financial records empowers leaders to act decisively on data.
> Diversify Revenue Sources: Activities such as expanding offerings and customer segments, or developing recurring income models, can improve cash flow and reduce instability.
> Build Financial Resilience: Building an emergency fund, reducing debt, and ensuring adequate insurance coverage can add a layer of protection from unexpected adverse events.

"Strengthening business financials now is crucial to long-term survival and success," Brown adds. "Every bit helps, even if you can't implement all best practices at once."

Brown notes that invoice factoring, which allows businesses to sell their B2B invoices to a factor and receive most of the invoice's value upfront, is often used in these strategies because it aligns revenue more closely with expenses, making cash flow more predictable and providing working capital when unexpected issues hit.

Those who would like to learn more about factoring or 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 25 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 or call 1-877-960-1818.

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