

Three Major Benefits of:

Working Capital

And How To Realize Them

Working capital can feel like a lifeline as much as a line of credit.

When you need cash to keep your company operating or cover unexpected expenses, working capital can ride to your rescue (metaphorically) and save the day (maybe literally).

But if all you're thinking about for working capital is how it can bail you out, you're missing out on some of the great benefits of working capital loans. These loans can be there when you need to improve cashflow, handle unexpected or expected operating costs, and even focus on growth.

There are three ways to use working capital that carry huge benefits for your business, and there's no time like the present to understand those better.



No. 01

Creating Better Cashflow

Every business has expenses

Not all of those expenses are easily absorbed by your operating budget.

In an environment that isn't exactly business-friendly right now, with stretched supply chains and consumers in many industries hesitating before spending big, you might find your cashflow is more stream than river.

If that's the case, working capital has a major benefit. Because these loans are simple to secure with the right broker and don't come with major strings attached, you can utilize them to help you meet payroll, pay utilities and rent, and take care of other essential expenses.

Consider this scenario: *Many customers are late on their payments, leaving you without expected revenue. While that's hardly an ideal scenario, working capital can help you weather it, allowing you to tackle expenses without needing to damage those customer relationships by demanding payment right now when you need it.*

Working capital loans can also help businesses impacted by seasonality to handle both busy season and slow season. When times are booming, you can use that money to employ short-term help and restock inventory that's flying off the shelves. During the slowdown months, you can cover regular and unexpected expenses easily with working capital.

The upshot is that working capital is there when you're in a pinch, and that's still an invaluable use case.

No. 02

Handle Operating
Costs



Even when times are good, a working capital loan can help you avoid spending your company's reserves on business-critical expenses in a way that's beneficial.

For example: you could use a loan to help you pay for supplies when there is a special pricing or steep discount available that it would be difficult to pass up, without potentially putting yourself in a hole in case other expenses emerge.

Your business can also stock up ahead of your busy seasons rather than reacting to shortfalls in inventory, letting you prepare and ensure you're loaded up on critical products and materials ahead of time. Any leftovers—or a separate working capital loan in its own right—can help you fund an expansion of your marketing efforts. That could include advertising, direct mailing, updating your website, or paying for help to improve your dusty Facebook page. All of those lead to exposure for your business that can create more revenue, which makes it an operating expense worth investing in.

Finally, you can handle the twin scourges of employee expenses and taxes with working capital, as well. Let an easy-to-pay-back loan and not your cash reserves go toward Uncle Sam, especially during slow season, add needed headcount and handle associated payroll and benefit expenses in one fell swoop.

If you can imagine a day-to-day operating expense that matters, chances are working capital can help you address it.

No. 03

Go For Growth

Finally...

Working capital can be a godsend for growth, especially if your business is thriving.

When things are going well you always want to invest your money back into the business, but why not turbocharge that growth by extending that investment?

Consider this scenario: One of the most common use cases we see is working capital helping to pay for expansions or renovations, like opening up a second location after the first one takes off, or re-doing the customer waiting area to improve experience and hold more people. These can help you create massive revenue streams and improve both employee and customer retention, but those are daunting expenses without the help of working capital.

Or maybe your need is less physical, and what you really need are folks who can advise you on the smartest and safest way to grow. Working capital loans can be leveraged to bring aboard consultants who can play that role for your business.

Or maybe your needs are based less around expertise and buildings and more on technology. If you're working with a Compaq that can still run Windows 95, getting the right hardware and software gives you the opportunity to better handle your data, ensure a smoother customer experience, and avoid the kind of employee burnout that can come from frustrating systems and processes.

Any way you slice it, when your business is ready to grow, working capital can help by providing the cash to get you there.

Ready to **realize** the **benefits** of working capital?

If you're ready to realize one of the three benefits of working capital, no matter where your business is in its lifecycle, Financial Partners Group can help by providing an easy-to-secure loan with terms that make sense for you.

Here to help
you **grow.**

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