



How to Use Three Bootstrap Financing Techniques to Get Your New Business Up and Running Now!

Bootstrap financing is one of the greatest and least expensive routes an entrepreneur can explore when raising capital. It utilizes unused opportunities that can be found within your own company by simply managing your finances better, and you will not need to rely on anybody else's help to generate this much-needed cash for your small business.

Because you will not owe any interest on this new money, you can keep your overall business budget down to a minimum as well because there will be no high interest fee attached to the new funds. Your company will also be worth more because less money will have been borrowed and any equity you happen to have in your company will not have to be relinquished. Your business savvy will also greatly increase because you now have to be a lot more creative when it comes to financing your fledgling business.

LEASE INSTEAD OF OWN

Instead of buying office furniture and expensive printing equipment, for instance, it makes a lot more sense to just pay a monthly bill for your business needs. If a massive piece of printing equipment for your typesetting business costs \$10,000 but the monthly bill for that same equipment is only \$200/month, then that will save you a fortune for the first year your business is just starting out.

By leasing most everything that is a part of your business, you are allowing your business profit to grow and mature without the unnecessary burden of a huge debt when you are barely beginning to get enough customers to pay for your services in the first place. Another huge advantage to leasing as opposed to buying is the fact that when you lease a major piece of equipment from a credible leasing equipment company, that leasing company will help you maintain the equipment on a monthly basis if you pay them just a little bit more money per month, always a great thing when you consider how much you would spend on equipment maintenance otherwise.

FACTORING

Factoring is a financing technique where you sell your accounts receivable to a buyer such as a commercial finance company to raise your required capital that will help get your business off the ground. A "factor" buys the accounts receivable at a discount rate between one and fifteen percent. By allowing the factor to buy your accounts receivable, he will then become the creditor and will assume the task of collecting the receivables and will take over all of the paperwork that you would have been doing instead of him, a perfect win-win if you will.

This great technique will actually reduce your internal costs incurred because now you are receiving free help with all of your paperwork as well freeing up your capital that would be initially tied to receivables if you did not use this factoring program for your business. You can also use factoring to raise money for your business and it will allow your cash to keep flowing in your business accounts, always a great thing!

USE CUSTOMERS AS A WAY OF SECURING CREDIT

I'll bet you never realized that your customers who are already helping you reach your needed profit goals would also help you secure credit as well, but they will if you approach them in the correct manner. Let's say your business is in manufacturing tablecloths for the restaurant industry. A large food chain called "The Olive Garden" has placed a huge order for you to customize thousands of tablecloths for them. The major supplier of the tablecloth material you need is located in China.

In this instance, you will need to obtain a letter of credit from the Olive Garden when they have placed their tablecloth order. You can now buy the required material from the manufacturing company in China without having to put up one dime of your own money because the letter of credit is used as security.

You might have been a participant in this unique way of financing without even noticing it if you had a client in the past that asked for up-front money in order to buy certain materials for a job you were having them do for you.

It's time to turn that same financing technique into something that favors you in all of your future business dealings so you can be on your way to earning a great living as a self-employed businessman.

Rob Mead has written many articles about internet marketing and how to create and find great website content that will increase your web site's traffic overnight. Go to <http://www.perfectwebcontent.com> and you will be able to use all of the web site's resources and articles in your quest for internet success.

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