Many Small Businesses Get Cash Advances

A growing number of small businesses that have previously faced obstacles getting working capital now have a practical solution they can bank on. They're taking a cash advance on future credit card receivables. This method of getting needed capital is gaining momentum, particularly in light of the inundation of Small Business Administration loan requests during recovery efforts on the Gulf Coast. The cash advances taken by these credit-worthy businesses are called Merchant Cash Advances and are completed without the time, documentation and availability issues associated with a traditional loan. Here's how it works. Companies such as AdvanceMe, the website nation's leading provider of merchant cash advances, purchase a portion of small- and mid-size businesses' future credit card sales. These assets, which traditional lenders and investors do not value, help business owners to access capital quickly and easily without leveraging their homes or other personal assets. Businesses simply sell AdvanceMe a portion of their future credit card sales at a discount in exchange for a lump sum of working capital today.The process has a number of advantages for merchants:-> It helps small businesses manage their cash flow throughout the year. This is especially valuable to businesses whose day-to-day operations are impacted by seasonality, such as those in small college towns. It gives them access to the cash necessary to weather the seasons, whether or not it's their busy season.-> Often, a Merchant Cash Advance is preferred over a traditional bank loan because payment of the obligation is directly tied to the merchant's revenue. In this way, the Merchant Cash Advance Vendor only gets paid when the business gets paid. -> It provides business owners with the capital to fund marketing and advertising campaigns, purchase equipment, train employees and/or attend industry seminars, which they might otherwise not be able to do.