



LIQUID CAPITAL PURCHASE ORDER (PO) FINANCING

AN ADVANCED SOLUTION FOR
ADVANCE PAYMENT CHALLENGES

Supplier payment requirements can be a major issue for companies that have little or no equity to work with. It is not uncommon for suppliers to demand payment in full at the point of shipment. They may even demand a guarantee of that payment (i.e. letter of credit) before they will start producing your product.

You may have a substantial order book, but if you have to pay for the product in advance, you'll be financing those sales from shipping through to storage and customer delivery.

This can create a serious **working capital gap** as you wait for the cash to come in – and you still have to manage the ongoing costs of running a business.

When your DSO (days sales outstanding) is 60-90 days, but your DPO (days payable outstanding) is zero, you will have little chance of realizing opportunities that depend on advance payment to suppliers – even ones that have been secured in most other respects.

PO FINANCING - YOUR POs CAN PAY OFF

For companies receiving finished goods from their suppliers, Liquid Capital's **Purchase Order (PO) financing** solution helps you meet supplier requirements and bridge the sometimes extensive gap between when a product is ordered and when a customer receives and pays for it. **And it's all based on the quality of your POs.**

If you have a PO out to a supplier, Liquid Capital can provide a letter of credit the supplier can draw on for payment – pending an inspection of the goods for quality and quantity at the point of shipping – essentially **financing up to 100% of the cost of the product until it is in the customer's hands.**

Typically, PO financing works in combination with Liquid Capital's Accounts Receivable factoring solution, which kicks in once the actual sale to the customer becomes final. Factoring provides you with working capital financing based on the value of your accounts receivable and is used to pay off your PO financing obligation.

PO financing funds supplier requirements and goods in transit; factoring then finances accounts receivable to pay out the PO financing debt.

FACTORING PROVIDES CLIENTS WITH 80% OR MORE OF THE VALUE OF CREDIT-WORTHY INVOICES. THESE FUNDS CAN BE USED TO FINANCE WORKING CAPITAL REQUIREMENTS.



WE ASSUME, MANAGE AND COLLECT THE FINANCED DEBTS, AS WELL AS PROVIDE CLEAR, ACCESSIBLE REPORTING TO KEEP YOU UP TO DATE ON THE PROCESS.

PO FINANCING - 6 STEPS



PO FINANCING FROM LIQUID CAPITAL DELIVERS A RANGE OF BUSINESS BENEFITS:

Our best-in-class service is delivered through a local distribution network. Liquid Capital has the most points of presence of any working capital provider in North America, meaning you deal with local decision makers who understand your market, your business and your needs.

Ensure that the inability to secure supplier credit doesn't limit your growth strategy. Most suppliers will not ship to customers they do not know or that don't have excellent credit. If you are buying finished goods and selling to credit-worthy customers, you can finance the purchase of goods without tying up your own money.

Fast service means opportunities and obligations don't have to wait. Upon approval, financing is available immediately, allowing you to purchase your product quickly and get the production/shipping process underway.

Get full reporting transparency, with access to 24-7 online support. We take accountability seriously. You can see invoice images, supporting documents, collection notes and payment details, so you always know the status of your transaction.

Quality assurance is part of the bargain. At the point of shipping, your goods are inspected by an international agency to ensure quality, quantity and compliance.

Your financing solution is based on the quality of your POs. You've worked hard to develop a strong customer base. With Liquid Capital PO financing, you can leverage the future value of your POs.

