



Financial News

Winter 2009



Need Money? Seek Alternatives

Businesses are probably numb to the headlines by now about the condition of the credit markets: shaky banks reluctant to loan money, government intervention to help credit markets function, and businesses approaching the limits of their existing credit lines. Even some of the largest and most recognizable companies in the world are concerned about their cash flow and their ability to fund ongoing operations.

What you don't hear much about are the alternatives that may provide critical working capital or acquisition financing if your bank or your other traditional sources of capital can't help. Many businesses have significant resources hidden in their balance sheets that can be liquidated or leveraged to provide a business with much needed cash flow. Sometimes it can be as easy as leasing rather than buying in order to conserve cash.

At other times, it may require a more in-depth process review of when your business takes in cash relative to when it spends cash on any jobs. Customer payment habits and internal company administration can have huge impacts on your cash position and your ability to fund operations and new opportunities. When managed efficiently and effectively, these factors can significantly strengthen your cash position and let you sleep at night.

Whatever the best approach is for your business, take the time to understand your present cash position and your cash needs for the foreseeable future. No one knows how long and difficult the

ongoing financial crisis and recession will be, but the businesses that maintain viability and solid cash flow through difficult times will come out strongest when the economy recovers.

Help Government Spend Money

In the next few years there will likely be unprecedented government spending on massive infrastructure, energy, and transportation projects. Many businesspeople are familiar with lease financing for commercial equipment, but many do not know that federal, state, local governments, including publicly funded universities, can also get lease financing to acquire equipment. Lease financing can allow various government agencies to acquire the critical equipment that they need to pursue these projects without having to pay for it all up front.

If your business sells equipment to the government, help them buy it by offering them a lease financing option. It may help your business make a sale that wouldn't otherwise happen.

Client Corner

"Rich and Greg are professional, they know their stuff, and are a pleasure to work with. They really helped me get my business strategy and business finances under control. You won't regret bringing them on board."

- Mike W., President, Albany ITG



A Client in Every Port