	Suitable for:	How it Works:	Pros:	Cons:
Factoring	Manufacturers or retailers with a large volume of unpaid sales	Factors purchase a company's outstanding invoices, assuming customer credit risk and advancing up to 80 percent of a business' receivables	Immediate access to capital for an upfront fee	Immediate access to capital for an upfront fee
Sale or Leaseback Deals	Restaurants, medical facilities, construction companies, manufacturers that own costly equipment, or businesses that own expensive real estate property	Business sells assets for a lump sum, freeing capital, and then leases assets back	Turns illiquid fixed capital into available working capital	Equipment and real estate costs will be higher in the long term, despite potential tax savings of writing off lease payments. Property leaseback requires long-term commit-ments
Micro loans	Businesses that need small amounts of short-term ad hoc credit	Micro-lending institutions provides loan based on credit rating/collateral	Less documentation and lower credit requirements than a bank	Extremely high costs, requires collateral and puts strain on balance sheet
Royalty Financing	New businesses that need growth capital until their products or services go to market	Royalty financing firms lend based on projected revenues and take a share of revenues once they are received. Payoffs vary from five to 10 years	Less costly than selling equity in a young company	Costs can exceed those of bank loans, requires solid long-term sales forecasts
Merchant Cash Advance	Retailers, restaurants and other service-based businesses with a high volume of credit card sales	Independent finance companies give merchant a lump sum in exchange for a percentage of future credit-card sales, based on sales history	Allows a business to leverage solid sales record, offers flexible re-payment schedules	High cost
Purchase-order Financing	Businesses that need capital to help them fill a large purchase order	Business receives an advance against a signed purchase order to help fund manufacturing and fulfilment	Reasonable costs, readily available, credit matches order cycle, financing depends more on the credit standing of the business' customer than on its own	Must have a signed purchase order, financing depends more on the credit standing of the business' customer than on its own
Corporate Payment Card	Businesses that need to fill gaps in their working capital or have predictable cash deficien-cies in their order cycles	Corporate card is used to pay suppliers and other business costs	Flexible limits, off-balance sheet and unsecured, generally interest-free and low cost	High interest rate if payments are missed, potential card acceptance challenges