Brand Voice

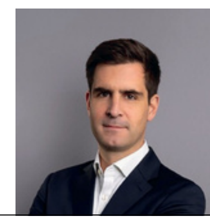
Factoring: turning accounts receivable into a cash flow lever

During the DAF Morning Conference on Cash Management held on 2 July, Romain Chaufour and Sacha Benibri from Fibus, Europe's leading consultancy specialising in factoring, presented the key levers for optimising factoring programmes.

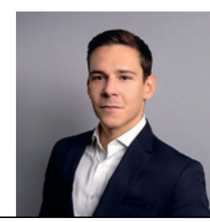
Long regarded as a purely technical financing solution, factoring has now become a strategic tool for finance leaders. As payment terms continue to lengthen, late payments increase and corporate insolvencies rise, unlocking the value of accounts receivable enables businesses to strengthen liquidity while supporting growth.
According to Romain Chaufour, accounts receivable are often a company's largest asset, typically representing around two months of turnover. They therefore constitute a significant source of liquidity – provided the factoring programme is properly structured and fully optimised.
For companies that already have a factoring facility in place, the first step is to assess whether the funding actually received matches the expected financing potential. This involves reviewing the contractual terms, the overall cost of the programme, the quality of the receivables portfolio and the efficiency of the order-to-cash process. For example, insufficient credit insurance cover can directly restrict the volume of receivables eligible for financing.

STREAMLINING COLLABORATION ACROSS TEAMS

Factoring is a dynamic financing solution, driven daily by new invoices and customer payments. Its successful operation therefore requires close coordination between multiple functions, including Finance, Treasury, Accounting and IT.
One of the key challenges is ensuring seamless collaboration not only across these teams, but also with the factor. Missing or inaccurate information - such as a postcode, address or country code - can result in receivables being automatically rejected by the factor's systems. ARI Trade, Fibus' digital platform, is designed to validate, enrich and transmit this data efficiently. It also provides a consolidated view of a group's factoring programmes, facilitates funding forecasts and automates interactions with credit insurers. This enhanced visibility enables finance teams to accurately anticipate the cash available following each receivables assignment.



ROMAIN CHAUFOUR,
Development Director FIBUS



SACHA BENIBRI,
Account executive Fibus Digital

FASTER ACCESS TO FUNDING...

Fibus recently supported Valiantys, a French group specialising in digital transformation, in implementing a programme designed to finance its international growth.
After defining the scope of the programme and assessing its financing potential, Fibus launched a tender process with factoring companies to finance 8 entities across Europe, North America, Asia and the Middle East. Its teams then managed the implementation phase, despite a complex accounting organisation spread across multiple subsidiaries and four different currencies. This Fibus "task force", bringing together experts in receivables financing advisory and automated factoring programme management, enabled Valiantys to secure its first financing within three weeks.

...AND GREATER FINANCING CAPACITY

According to studies conducted by Fibus among its clients, the use of its management platform increases financing capacity by around 15% and reduces the time spent managing programmes by fivefold.
For finance departments, the performance of receivables financing therefore depends as much on the negotiation of the contract as on the quality of its configuration, the accuracy of the data provided and its day-to-day operational management.

Fibus