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WELCOME



# Strategic Cash Flow Management: Advanced Avionté SmartFund® Techniques





# About Me:

- Misha St.Clair
- Product Trainer
- 15+ years in technical training
- Summer is for wood-fired pizza





# Who is this for?

## Eligible Businesses:

- Classic-only environments
- BOLD with Classic integrated clients
- BOLD with Back Office invoices
- Back Office-only customers (hosted, not self-hosted)

## Ideal Roles:

- CFO
- COO
- Finance Directors
- Controllers considering or currently using factor companies



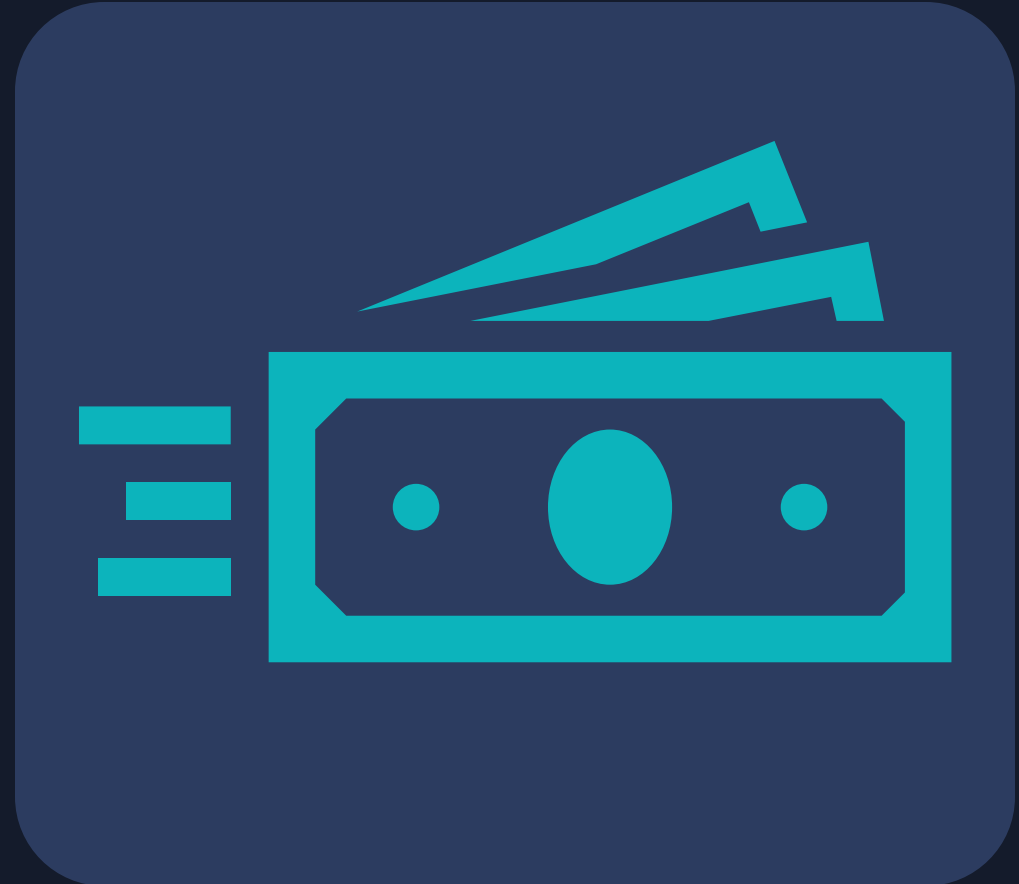
# When Basic Funding Isn't Enough

- Strong growth, but cash flow still under pressure
- Payroll drains capital, leaving vendor payments at risk
- Limited funding forces tradeoffs that hurt margins and relationships



# The Mid-Market Cash Flow Challenge

- Millions tied up in receivables with long and complex client payment terms
- Caught between small-business simplicity and enterprise-level resources
- Growing financial demands, but limited infrastructure to support them
- Cash flow pressure goes far beyond just covering payroll





# Why are we here?

Your business is growing, but cash is still tight — making it hard to cover payroll or pay vendors on time. Mid-market staffing firms often have 45+ days of revenue tied up in receivables, and existing funding solutions aren't flexible enough to keep up with rising capital needs.



## BY THE END OF THE SESSION

You'll be ready to evolve your funding strategy:

- From reactive to *proactive cash management*
- From all-or-nothing to *selective strategic funding*
- From tactical tool to *strategic financial advantage*





# The True Cost of Current Approaches

## Slow Pay Costs

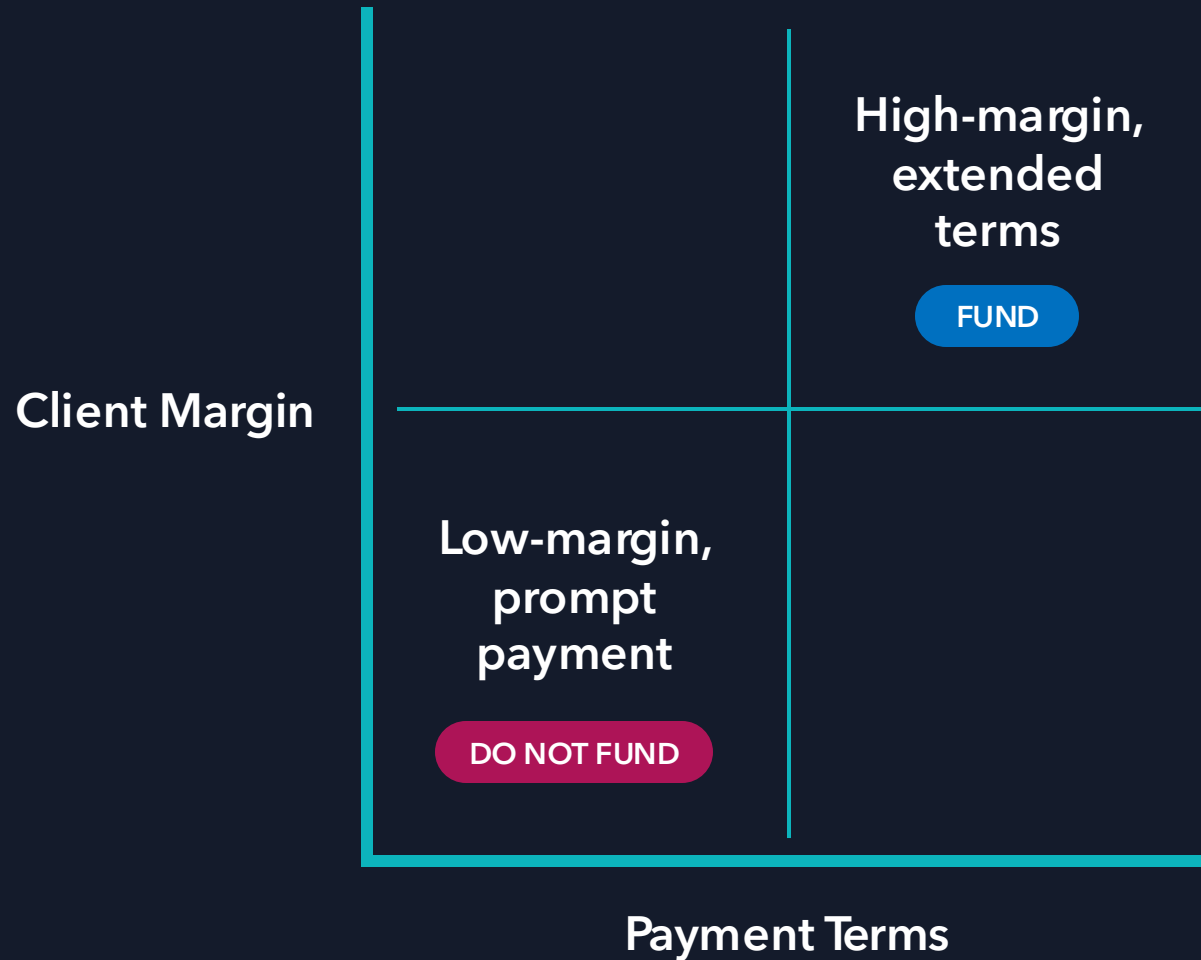
- Damaged strategic relationships
- Lost early payment discounts (1-3%)
- Reduced negotiating leverage
- Staff time managing vendor inquiries

## Traditional Factor Costs

- Loss of direct customer relationships
- Lengthy notice periods and AR holdbacks
- Liens against your business affecting other credit
- Limited flexibility in client selection



# Your Strategic Funding Framework



# Beyond Payment Terms

## Examples of Strategic Client Segmentation

### Segmentation Criteria

- Historical payment pattern
- Growth potential
- Strategic relationship value



Client A

- Light Industrial
- 4% Margin
- Net 30 Terms

**DON'T FUND**



Client B

- Healthcare
- 8% Margin
- Net 45 Terms

**FUND**



Client C

- Professional
- 6% Margin
- Net 60 Terms

**FUND**



# Identifying Your Strategic Funding Opportunities

1. Analyze last quarter's vendor payments
2. Identify all instances of slow pay
3. Calculate client profitability by segment
4. Determine optimal funding scenarios



# Data-Driven Funding Decisions

$$\begin{aligned} &(\text{Client Margin} - \text{Funding Cost}) \\ &\times \text{Invoice Value} = \\ &\text{Net Benefit} \end{aligned}$$



# Data-Driven Funding Decisions

## High-Margin Example

$$\begin{aligned} & (8\% - 1.5\%) \\ & \times \$100,000 = \\ & \$6,500 \end{aligned}$$

## Low-Margin Example

$$\begin{aligned} & (4\% - 1.5\%) \\ & \times \$100,000 = \\ & \$2,500 \end{aligned}$$



# From Slow Pay to Strategic Pay

- **Critical Vendors**  
Always fund to maintain Net 30 payments
- **Discount Vendors**  
Fund when early-pay discounts exceed funding costs
- **Transactional Vendors**  
Manage through standard cash flow





# Ready to switch?

## Key Challenges of Traditional Factoring:

- Loss of control over customer relationships
- Administrative burdens and rigid processes
- Limited flexibility in client selection

## Common Transition Concerns:

- Releasing existing AR from current factor
- Navigating notice periods and contract terms
- Ensuring smooth business continuity





# How to Switch:

## A Step-by-Step Strategic Approach

### 1. Application & Approval

*Current contract still active*

### 2. Configure Back Office Integration

*Administrative setup*

### 2. Review Existing Contract Provisions

*Notice requirements*

### 3. Execute Transition

*Seamless switchover*

### 4. Collect Remaining AR

*Ongoing process*



## Contract Provisions: What to Look For Before Switching

- Notice period requirements  
*(typically 30-90 days)*
- AR collection and holdback terms
- Exclusivity clauses and potential penalties
- Termination procedures and timeline



# Your 90-Day Strategic Transition

1

- Application
- Approval
- System configuration

30 DAYS

2

- Contract notice period
- Parallel testing

30-60 DAYS

3

- Full transition
- AR collection completion

60-90 DAYS



# What Makes Our Application Process Different



## Smart Banking Integration

Plaid connection enables faster approvals, better terms and faster deposits



## Credit-Friendly Process

Soft inquiry only to protect your credit score



## Flexible Verification

Multiple options available to fit your banking setup



## No UCC1 Filing

No public record of the funding when investors are looking at your financial integrity



## No Client Requests

No need for your end client to complete a credit application



# Measuring Success: Key Performance Indicators

- Cash Conversion Cycle Improvement
- Vendor Payment Performance  
*(% paid within terms)*
- Early Payment Discounts Captured
- Overall Funding Cost as % of Revenue



# Common Pitfalls to Avoid

Introducing any change can carry risk of failure, so watch out for some of the more common implementation mistakes and make sure your own journey goes off without a hitch



## Indiscrimination

Funding all invoices without strategic analysis



## Disruption

Inadequate planning for AR collection from previous factor



## Underutilization

Not leveraging advanced integration features



## Complacency

Failing to measure and optimize over time



# When Things Don't Go as Planned

- **Previous factor holds AR longer than expected**  
Document everything, be persistent
- **Client payment patterns change**  
Adjust funding strategy accordingly
- **Banking integration challenges**  
Work with support team for resolution
- **Staff adoption resistance**  
Clear communication about benefits and training



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# Knowledge Check





Which formula should you use to calculate client funding ROI?

$(\text{Client Margin} - \text{Funding Cost}) \times \text{Invoice Value}$

$\text{Funding Cost} \div \text{Client Margin}$

$\text{Invoice Value} - \text{Funding Cost}$

$\text{Client Margin} \times \text{Funding Cost}$



## What type of credit inquiry is performed during the SmartFund application?

Hard inquiry affecting credit score

Soft inquiry with no credit impact

No credit inquiry required

Multiple hard inquiries



## Which clients should be prioritized for strategic funding?

All clients equally

Highest margin,  
extended payment  
terms

Lowest margin,  
prompt payment

Clients with payment  
problems



What is the primary advantage of SmartFund not filing liens against your business?

Lower fees

Faster funding

Better customer  
service

No notification to  
other lenders



## What is the recommended approach for collecting AR from your previous company?

Expect automatic release within 30 days

Hire an attorney immediately

Plan for persistent follow-up over several months

Write off the remaining balance



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Thanks for playing!



# Next Steps



## Resources

Scan the code to access our  
Knowledge Base Article

Recording of this session  
will be emailed



## Next Webinar

**Turn Your Reports into Revenue:**  
Real Results with INSIGHTS

July 8<sup>th</sup>, 2025 at 1:00 CT



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