Increase Bottom Line Profits

3W Internet Corporation has been showing **Business Executives** and **Financial Professionals** how to use **Financing** to ***increase*** the **Profits**, **Net Worth**, and the **Equity Position** of the enterprise without any Investment whatsoever. We discovered that phenomenon for businesses that have **Accounts Receivable** about 12 years ago. Typically, every business employing this **Financing** technique would yield more **Profits** (10^{+}% of annual revenue more) that include all financing costs, processing costs, and software licensing fees.

The ***positive*** change in the **Equity Position** can be confirmed by looking at the **Cash Flow Analysis Report** that will allow decision makers to perform their fiduciary responsibility effectively.

The software operates in **Micrisoft® Excel** and **Word**. The **Cash Flow Analysis Report** includes a cover letter, executive summary, customer profile, financing profile, conclusions, and supporting spreadsheet certification documents.

We know how to extract an extra **Dime** in bottom line **Profits** per **Sales Dollar** for any business that has **Accounts Receivable**.

This feat is accomplished by outsourcing all of the investment in **Working Capital** to a finance company at a **Profit**.

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3W Internet Corporation

Empowering Business Profitability Through Knowledge

Being able to perform a
Cash Flow Analysis

Leads to more Money In your pocket

www.3wi-factoring.com

Did you know …

An extra **Dime** in bottom line **Profits** per **Dollar** can be extracted from ***any*** business that has **Accounts Receivable**. Consider a normalized **Revenue** income stream of **$1** per month or **$12** per year for a **45** day **Accounts Receivable**. The following **Income Statement** represents a typical business using their own cash to finance their **Working Capital** requirements

Normalized Income Statement	
Monthly Revenue	$1.00
Variable Cost	$0.60
Gross Margin	$0.40
Fixed Operating Cost	$0.30
Net Profit	$0.10
15% Income Tax	$0.015
After Tax Profit	$0.085

More Profit: By selling the **Accounts Receivable** the bottom line **After Tax Profit** would be about **$0.185**. That is a **Dime** more **Profit**. The following is a synopsis on how that **Dime** is extracted:

Extracting the Profits …

Working Capital Investment: The **Variable Cost** represents the investment in **Working Capital** the business must fund to process each business transaction, and that investment begins at least **15** days prior to invoicing the **Customer**. Adding the 15 days to the 45-day **Accounts Receivable** implies the investment is outstanding for a total of **60** days – that is 2 months. On any given day of the year the average investment in **Working Capital** is **$1.20**. The **Internal Rate of Return** for this investment is **312%** – a good return.

Advance Payments: When the business sells its **Invoices** it receives an immediate advance, e.g. **$0.70**. Please note the **$0.70** is a **Dime** more than the **$0.60** investment in **Working Capital**, and after about **6** weeks there is *positive* **Cash Flow** *forever*. Outsourcing all of the investment in **Working Capital** to a **Factoring Financial Institution** at a **Profit** yields **Free Financing of Working Capital** *forever*. The **Internal Rate of Return** for this investment is **637%** – a much better return on the **Working Capital** investment.

Reserve Payments: Selling **Accounts Receivable** means the **Customer** pays the **$1.00 Invoices** to the funding company when due. The business had already received an advance payment of **$0.70**, and there was **$0.30** held in reserve until the **Customer** makes payment. After which the funding company will discount the **$1.00** payment by about a **$0.05** and immediately rebate the **$0.25** reserve balance back to the business.

Tax Relief: Because the business had sold its **Accounts Receivable** and received **$0.95** in **Revenue**, the before tax **Profits** *decreased* by a **Nickel**. That means the **15%** **Income Taxes** due on ($0.10 - $0.05) is **$0.0075**. The **Tax Relief** is also **$0.0075** per **Sales Revenue Dollar**.

Bottom Line Profits …

Bottom Line: The business can eliminate all of the **$1.20** investment in **Working Capital**. The finance company charges a **Nickel** for their services and that is mitigated by **Tax Relief**. Business owners want to know how this scenario impacts the bottom line *change* in the **Equity Position** of the **Balance Sheet** after one year of operations. In order to determine the bottom line impact, a **Cash Flow Analysis** can be utilized to reveal the financial worthiness of selling **Accounts Receivable**.

Financial Analysis …

Financial Analysis Tool: Fortunately there exists a **Cash Flow Analysis** tool that operates in **Microsoft® Excel**. It is called the **Invoice Profitability Calculator**, which performs the **Cash Flow Analysis** for selling **Accounts Receivable**.

Final Equity Position: The **Cash Flow Analysis** reveals the bottom line *positive change* in the **Equity Position** of the **Balance Sheet** is a **$0.185**. This value includes expensing **Software License Fees**, financing **Due Diligence Fees**, overnight **Shipping Fees**, **Wire Transfer Fees**, and **Income Taxes**.

It is all about the numbers when a business makes their financial decisions. Now here is a number (a **Dime**) that every business that has **Accounts Receivable** cannot ignore.

Should the business begin to extract an extra **Dime** in their bottom line **Profits** per **Sales Dollar** by eliminating all of their investment in **Working Capital** forever or continue to forfeit that **Dime**?