Barry Sharf – Revenue Based Financing

Revenue Based Financing is lesser-known but extremely ground breaking third way amongst customary debt and equity financing. The crux of it, as the name proposes, is offering funding to a business in return for a share of its upcoming profits. Three factors are generally decided upfront besides the amount to be given: the total amount to be refunded over time, the proportion of profits shared with the source of financing, and the payment rate which is customarily monthly, weekly or daily. RBF investments generally do not necessitate a seat on the company's board of directors, and no assessment is required to make the investment nor does it involve the patronage of the loan by founder's personal properties.

How And When Revenue Base Financing Works?

Let's understand it with an example. Suppose if you borrow $25,000, your monthly turnover fixes your loan period and your payments will lined up to a decided percentage of your monthly sales. Hence, if your turnover is $50,000 for one month and you have decided to repay 10% of your monthly sales every month, you would pay $5,000. If it falls down to $45,000, you pay $4,500. This lasts till the decided amount is refunded. Similarly if your sales grow faster than anticipated, your monthly payments would be higher and you end up refunding your revenue advance faster. **Barry Sharf** can tell you more about Revenue Based Financing just visit and fill this contact form.

How to Qualify for Revenue Base Financing:

To qualify for Revenue base financing (RBF), make sure that your company should have a recognized revenue stream from which to draw debt service outflows. Also it should have a reputable market that is comparatively unchanging. Your records have to be properly maintained. Validate you have a summary of your dues, incomes, operating expenses, and future forecasts, and be sure it’s all largely precise.When it comes to revenue-based financing, it might seem like there are less threads attached to the money, but treating it frivolously is a formula for ruining your business.