



Financing Your Global Business:

A Complete Guide for Ambitious Ecommerce Entrepreneurs





Global eCommerce has soared in recent years. Online shoppers have become more and more comfortable buying from stores overseas, and brands are loving the additional revenue.

With at least **70% of today's shoppers** buying from foreign sites, and 80% of brands saying that cross-border selling is profitable for them — global eCommerce feels like a perfect union.

And if you're like most sellers, you're probably eager to get in on the action.

There's just one problem: funding.

The word 'credit' sparks fear in many an online retailer's heart, with thoughts of loan sharks and shuttered businesses racing through their minds. 😬

You may find yourself asking: 'Is eCommerce funding right for me?' 'How can I drum up the funds I need to go global?' 'What's the safest way to get capital for scaling into new markets?'

In this ebook, we're answering your most pressing funding-related questions so you can take on the global eCommerce market with confidence.



Cross-Border Financing for Ecommerce

What we'll cover:

- Why Ecommerce Funding Is Crucial for a Successful Global Expansion
- Don't Let Cash Flow Shortages Hijack Your Growth
- How to Select the Best Ecommerce Funding for Your Goals
- How to Prep Your Store for Profitable Cross-Border Selling
- Tips to Get Your Finances Ready for Global Expansion

Thinking about taking your eCommerce business global?
[Find out how SellersFunding can help.](#)





Why Ecommerce Funding Is Crucial for a Successful Global Expansion

Most businesses need capital to make new investments and expand which, for eCommerce owners, presents an all-too-familiar challenge — finding spare cash when capital is tied up in fixed costs. Luckily, the right eCommerce funding can save the day.

You can use additional funding to cover predictable costs that have a proven ROI for your business. Plus, you'll have enough liquidity to invest in additional growth drivers (or 'business multipliers' as we like to call them).

Your business multipliers might be things like:

- Advertising
- Strategic partnerships
- Research and development
- Staff training
- Employee engagement
- And more

Sounds great, right? But is funding really right for your business?

Here are some questions to ask yourself before you apply for funding:

1. Do I have a proven product and predictable sales to back it up?
2. Is my business growing?
3. Is most of my cash tied up in inventory and fixed expenses?
4. Do I want to take better advantage of business cyclicalities and seasonality to scale faster?

If you answered yes to these questions, you're probably ready to take on some flexible and transparent funding to fuel even greater growth for your business.

Unsure how to make your businesses finances work in a global setup?
[See how SellersFunding makes it easy.](#)



Don't Let Cash Flow Shortages Hijack Your Growth

It's no secret: [82% of businesses fail](#) due to poor cash flow management.

The good news is, with the right funding and some super smart planning, you can easily avoid deadly cash flow problems. But first, it's helpful to understand the top mistakes that lead to poor cash flow management (and the best tactics for avoiding them).

Let's take a closer look at the common cash flow problems that can kill your global expansion plans:





No Key Performance Indicators (KPIs)

What gets tracked, gets measured'. It's really as simple as that.

Without measuring, it's impossible to know whether there's been any improvement. That's where KPIs come in. With the right metrics and measures, you can stop shooting in the dark and start assessing your progress toward specific goals. Implement KPIs to understand where your business is, where it wants to go, and whether you're on track to getting there.

Some of the most useful eCommerce KPIs include:

- Customer Lifetime Value
- Cart Abandonment Rate
- Average Order Value
- Return Rate
- Churn Rate
- Customer Acquisition Cost
- Gross Profit Margin



No predetermined budget

It may not sound sexy, but it's also important to establish a solid profit and loss statement (P&L) for your business — and you can only achieve this with a clear budget. To build one, understand how your key expenses stack as a percentage of sales. This will help ensure you're not overspending in any areas that aren't giving you ROI.

The main costs that tend to affect your P&L are:

- Inventory costs Logistics
- Marketing and sales
- Marketplace/eCommerce platform selling fees
- Personnel costs
- Admin fees



Not understanding your company's debt profile

Businesses run into cash flow issues when their funding sources (both external and internal) don't complement their financial setup.

To establish optimal cash flow levels it's crucial to:

- **Find a solution that matches your incomings and outgoings:** This will ensure you aren't left high and dry when seasonal changes, payout delays, or due payments arise.
- **Focus on ROI:** Most decision-making needs to happen at the purchase order (PO) level rather than the annual costs level. Look at the PO's absolute costs, considering things like the cost of product and funding (including interest and fees) to get a true representation and better determine your ROI.
- **Pick the right capital partner:** Some funding providers (cough, cough: venture capitalist relationships) are like marriages — they're for life. While this sometimes makes sense, the wrong partnership can dilute your business ownership. Credit providers can vary from short to long term relationships. Do your due diligence to ensure the provider is familiar with your business makeup, understands your needs, and 100% knows eCommerce.



Long lead times between accounts receivables and purchase orders

In eCommerce, lead times can easily range between 30 to 120 days.

Even once you've manufactured the goods, logistics and customs clearance can present significant delays. Of course, then you've got to get the products onto your marketplace or online store, sell them, and wait for a payout.

Needless to say, it might be a while before you see any ROI.

To keep your business sufficiently funded and stocked, it's important you have a great working relationship with your suppliers. Look for suppliers that can offer some flexibility on payments in order to stretch your capital further and deliver goods fast and efficiently.



Ignoring product selection and inventory management best practices

On that note, there are a few best practices for triumphing in your inventory management.

Here are some of the top habits to build if you want to master your inventory (and say goodbye to costly stockouts):

- **Plan early:** Use your KPI and sales velocity to guide decision-making data and closely manage your supply chain.
- **Focus on high-margin products:** Avoid launching too many product lines. Instead, focus on scaling your best sellers with the most money-making potential. Then use them as leverage for accessing funding.
- **Consider seasonality:** Seasonal changes are an essential consideration when selecting funding, the right approach could even tide you over until your next profitable period.
- **Partner with reliable suppliers:** Having suppliers you can count on can make or break your product. And sure, it can be challenging to find great suppliers — but it's always worth the effort.
- **Watch those KPIs:** As mentioned, KPIs will help you stay focused and make necessary adjustments to reach your target. Platforms like Amazon offer tools that help you monitor your account health.
- **Track your liquidity ratios:** Stay mindful of ratios like cash to assets and liquidity ratios. Aim for results above 1 as it symbolises healthy cash flow and liquidity. ✓
- **Establish reserves:** It's always wise to have a plan B for stock and capital in case the inevitable happens. If possible, aim for between 3-6 months' worth of stock and fixed expenses. Start by amassing one month's stockpile and build up from there.

How to Select the Best Ecommerce Funding for Your Goals

Alright. Now that you know how to protect your cash flow when taking your business global, it's time to dive into the various types of funding available to sellers so you can consider the best option for you.

The most common alternative funding solutions include:

- **Daily cash advance:** Ideal for retail arbitrage and retail sellers on marketplaces. A daily cash advance allows you to access your sales quicker for a fee, giving you daily liquidity instead of having to wait two weeks (or more) for payouts. It's also handy for cross-border payments as you can immediately convert the funds into your desired currency, allowing you to circumvent the currency fluctuation that occurs when waiting for payouts before exchanging the cash.
- **Merchant cash advance:** This type of funding allows you to pay back the funds according to how much you sell. Plus, you'll integrate your online payment solutions with the funding provider, so they automatically extract their portion of sales from card takings each month. It's a short-term (1-4 months) and more expensive solution than other options, but you get flexibility and ease in return.
- **Working capital:** This is a longer-term and more strategic solution. It's great for planning and matching cash flow, as well as addressing lead time issues. Working capital is usually more affordable than other solutions, but the catch is you'll have a long-term repayment commitment which can present cash flow issues when seasonality hits.
- **Lines of credit:** You're given a maximum credit limit which you can access immediately and use when your business needs it. Essentially, you get both flexibility and security. But the big bonuses are: you only pay interest on the funds you draw, there's usually no prepayment, and the credit line typically lasts for a year. The downside is lines of credit are traditionally given by banks, making it difficult for online sellers to secure.
- **Credit cards:** Many eCommerce entrepreneurs start here, often using their personal cards to get their businesses funded. Credit cards are easily accessible, and you can get good offers like 0% balance transfers and cashback. But this approach is very risky as it puts the entrepreneur's funds and credit rating on the line. That's why it's usually best to use credit cards for small day-to-day expenses that you can clear monthly.





How to Prep Your Store for Profitable Cross-Border Selling

With the global cross-border B2C market tipped to hit a whopping \$3.9 trillion by 2027, now is the time to take your business global.

But beyond cash flow and funding challenges, there will be a whole new list of other financial variables to account for, for example: international transaction fees, currency exchange fees, and foreign exchange markups — all of which can wreak havoc on your bottom line.

(And, let's not forget how slow and expensive sending money internationally can be. 😬)

These charges may seem like the cost of doing business, but over time, they add up. Luckily, a borderless bank account from a Payment Service Provider (PSP) will help you preserve your profits.

Let's clarify some must-have characteristics for your PSP:

A borderless, multi-currency account: A PSP account that allows you to store and transact multiple currencies at a fair rate will be a powerful tool in your global eCommerce arsenal. For example, if you're a UK-based brand but receive disbursements and pay suppliers in USD, you can hold both currencies in one place with a multi-currency account.

Fair currency exchange fees: A provider that doesn't charge you sky-high fees is crucial for keeping your business profitable. Make sure your provider also offers reasonable and transparent rates, so you always know exactly what you'll pay.

The right PSP will not only save you hours on admin, but also thousands in currency exchange and transaction fees. And if you're looking for a borderless account that doesn't cost the earth, our Digital Wallet can definitely help.



Pro tip: If you sell on Amazon, ask the PSP if they are on Amazon's approved PSP list to avoid wasting time onboarding a PSP you can't use.

Tips to Get Your Finances Ready for Global Expansion

There are a few ground rules to follow when going global. While these aren't necessarily rules to live and die by, they'll definitely help you develop the focus you need to stay on track.

- **Compare funding solutions apples to apples**

Each funding option has different setups, rates, and requirements that affect their total costs. You can end up out of pocket if you take them at face value.

For example, say you're offered a cash advance with an 8% fixed fee. At the same time, you're quoted 15% APR for working capital. The cash advance looks like a better deal at face value. But upon closer inspection, you'll pay that 8% in 3-6 months. Now that 8% looks like 16-24%, or even higher. 🤖

- **Avoid stacking funding options**

When you stack capital solutions it can cause significant cash flow issues and makes you more susceptible to overextending. It also becomes harder to keep tabs on what you owe and the interest you're paying, especially when using different providers. Pick one funding solution you trust and roll with it.

- **Select an experienced eCommerce funding provider**

Funding providers come in all shapes and sizes. The right one will depend on your business' needs and goals. But no matter which funding option you choose, your funder should understand the eCommerce space and have suitable grace periods and repayment terms that help you secure real ROI for your business.

Look for partners with plenty of resources and (preferably human) support to help you succeed.

- **Don't see funding as a failure**

Though we're not taught to see it that way, funding is a badge of honour worn by successful businesses. After all, some of the biggest brands in eCommerce leverage funding to scale, then humbly brag about it in press releases. 😄

Choose to see your funding provider as a strategic partner, rather than a company you're indebted to. It's a two-way relationship and if you treat it that way, you'll both get value out of it.



Build a Thriving Global Ecommerce Business

Ecommerce funding can be the catalyst that drives you to your next level.

But to be successful, you'll need to arm yourself with the correct tools to improve your cash flow and reduce your costs.

Finally, choose suppliers and funders who will stay with you for the long run so that you can grow sustainably. Going global involves a lot of blood, sweat and tears. Unforeseen issues and expenses will arise, but you have the power to overcome them and thrive, just as you've done in your home territory.

So don't wait. Get your finances prepped for cross-border success, and keep growing!

Need a hand getting your finances together for your global expansion?

[Let SellersFunding help.](#)



About SellersFunding

Ecommerce is booming, and traditional banks and funding partners are still catching up.

At SellersFunding, we're changing the way eCommerce sellers scale their business by providing them with fast, flexible funding options they can't find anywhere else.

[Reach out today to learn more about how we can help you scale.](#)



See how SellersFunding can help you scale