



# Case Study

## Electrical Contracting Firm: Single Invoice Factoring



Publication

## BACKGROUND

- Locally owned and operated electrical contracting firm in New York City
- Clients: City of New York, NYS Board of Education, Mass Transit

## COMPANY CHALLENGES

Following the devastating effects of Hurricane Sandy, the company experienced a market-demand extension of payment terms. As a result of the slowdown in cash flow there was a delay in payment to suppliers, missed bid opportunities, and the company couldn't fund payroll or meet increased demands. The company was put into financial distress when they were turned down by local banks and their recommended financiers. Due to this, the company couldn't meet other loan covenants, experienced debt hangovers, strict credit limits and balance sheet discrepancies.





## CAPSTONE'S SOLUTION

- Provided a Single Invoice Factoring Facility
- Electrical Contractor Used Capstones Financial Statement to demonstrate financial capability and increased his bidding opportunities and wins
- Capstone factored the invoices and paid suppliers and subcontractors directly under funds control

## PROGRESS & FUTURE OUTLOOK

- Increased bonding value to \$10 Million with retained earnings
- Increased sales by 2.5 times in 2013
- Won an additional 10 SCA contracts for 2014



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