

Woman-Owned Construction Firm

SINGLE INVOICE FACTORING

CASE STUDY



This client is a woman owned construction firm operating in the New York, NYC and the Tri-State areas. Back when the client came to Capstone in 2012, they were suffering from the negative effects to their business and customers caused by Hurricane Sandy. Without sufficient cash flow, the client would not be able to sustain operations while the recovery process commenced. Single invoice factoring would be their fastest solution to generate immediate cash flow.

BACKGROUND

Local woman-owned construction firm operating since 2008.

- Full service construction firm with clients in the hospital, nursing home, religious, education, and commercial sectors
- Current Project: Major renovation of a mental health hospital operated by New York Presbyterian Hospital
- Since 2012, the company has factored over 90 invoices ranging from \$2,000 to \$175,000
- Total funding has been \$2.8 million



COMPANY CHALLENGES

Originally the Client needed to eliminate deficits in their cash flow caused by delays in customer payments. Many of their customers were negatively impacted due to Hurricane Sandy and were struggling during recovery process. The Client would have a newly abundant amount of construction work caused by the destruction however they did not have access to sufficient capital in order to bid on the projects. In an effort to sustain operations and also have the ability to bid on the new construction work the company sought out Capstone's assistance for their funding program.

CAPSTONE'S SOLUTION

- Provided a Single Invoice Factoring Facility to inject the working capital required while providing flexibility
- Helped the Client acquire better discounts with vendors

PROGRESS AND FUTURE OUTLOOK

- Cash flow constraints have been drastically eased and the Client has benefited from being able to focus on the growth of the company
- The Client has maintained a long term spot factoring relationship and has chosen Capstone as preferred funding source
- The Client received the necessary funding to fuel their rapid growth



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