

CASE STUDY NO MONEY DOWN ACQUISITIONS

Imagine acquiring companies using THEIR ASSETS to achieve your goal? Some companies are either distressed and/or the owners have extracted their useful life from them and are ready to exit but can't find a buyer. When a motivated seller and buyer meet: Factoring can offer a powerful venue to achieve great things!

SITUATION #1

A staffing client that had gone the route of many an entrepreneur had challenged credit, minimal money, and a company unable to turn a profit or grow. When we met they were barely doing \$80,000 monthly with a lot of money owed to them but minimal money in the bank. Enter factoring ...

Instant cash flow and the ability to take on more customers – and they did.

Want more? They saw competitors that also struggled so they began offering a buyout in the amount of 75% of the receivables on their books with an owner carried note ... and some started to accept. A bonus was that many times the seller stayed on as an account manager for that piece of the portfolio so some great relationships came out of it.

As they successfully acquired several companies and perfected their offers they expanded it to many and the result was a powerhouse of a staffing company that was finally sold for a nice profit.

SITUATION #2

A machine shop with a great book of custom business had an employee that wanted to acquire it but couldn't ... until we showed the owner we could do a receivables cash out to create a substantial down payment and then let him UCC1 the equipment and inventory and create a note thus allowing the buyout and keeping the business amongst friends sort to say.

OTHER ...

We regularly have clients use the receivables as a cash mechanism to acquire companies and cash flow once they keeping their investment and equity needs lower – not to mention their own liability. Do you have a creative need?

What can factoring do for you? Let's get started – call today!

Ernie Brown