

How a Contractor Used Receivables Financing to Support Growth

A practical example of factoring when used as a working capital strategy — not a last resort.

Overview

A growing commercial contractor faced increasing cash flow pressure despite strong revenue growth and healthy project demand.

Long customer payment cycles created working capital strain that traditional bank financing could not support quickly enough.

Rather than slowing growth, the company implemented a factoring facility tied to accounts receivable.

The Challenge

The contractor experienced:

- 60–90 day payment cycles
- growing payroll obligations
- rising material costs
- expanding project volume
- limited bank flexibility

Although the company remained profitable, liquidity timing became a constraint.

The Solution

The business used factoring financing to convert receivables into immediate working capital.

Stabilize Cash Flow.

Strengthen Operations.

Scale with Confidence.



Ironclad Capital Partners

15305 Dallas Parkway

Suite 1246

Dallas, TX 75001

1-833-318-4546

This allowed the company to:

- accelerate cash flow
 - stabilize operations
 - continue accepting new projects
 - improve vendor relationships
 - avoid additional traditional debt pressure
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The Result

The company increased operational flexibility while supporting continued expansion.

Factoring became a strategic liquidity tool rather than a distress solution.

Key Takeaway

Factoring is often misunderstood.

For many businesses, it is not a sign of weakness — it is a way to align cash flow with growth.

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