



Accounts Receivable Factoring **Success Story**

Businesses often share their success stories with our team. They tell how financing their invoices helped them maintain a healthy cash flow and grow their business. Here's a success story from one of our clients.

CHALLENGE:

The founder of Prevention Solutions,* a small 14-year-old family-owned firm that sells and services fire extinguishers, decided to hand down his company to his son, Clark. The father had been satisfied with staying small, but Clark, an energetic young man, had plans to grow the business. He saw lots of opportunities his father overlooked or had not pursued.

When everything was on an even keel, [cash flow](#) was not much of a problem for Prevention Solutions. They collected their accounts receivable in about 60 days. However, when the son took over the business, he began marketing their services more aggressively. Before Clark knew it, he had customers lined up, but no ability to obtain fire extinguishers from his supplier because he was constantly waiting to collect his receivables.

When he would get a new customer, he would have to keep contacting the customer to inform him that the fire extinguishers were on backorder. In reality, it was his cash that was on backorder!



SUCCESS:

Clark was familiar with [account receivable financing \(A R Financing\)](#). He figured this financing approach would allow him to buy more fire extinguishers for resale and increase both his revenues and gross profit. He began contacting [invoice financing companies](#) and found Interstate Capital during an Internet search.

In just a few short days, Interstate Capital's the cash flow specialists were able to send him an advance on those 60-day invoices. He was able to use that infusion of cash to quickly go back to his suppliers, increase his inventory and deliver on his orders. His decision to work with Interstate Capital gave him the cash flow he needed to expand his customer base – and keep his new customers happy.

*Names have been changed.





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free factoring consultation!**

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