

Applied Contracting Services, Inc.

Access to capital – any kind of capital – is one of the greatest, if not THE greatest, challenges faced by small businesses today. Even successful, established businesses can have trouble finding the money they need to grow, especially money that comes with favorable terms and an attractive interest rate. The challenge facing Wes Stapp, one of the three partners that own and manage Applied Contracting Services, Inc. (ACS) was how to raise the funding the company needed to take on more projects and increase revenue.



MEET WES STAPP

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ACS is a full services design/build contractor that specializes in all types of home renovations, remodels and additions – everything from new kitchens to renovated bathrooms to full-on home additions – plus light commercial construction. Founded during the Great Recession, Stapp and his partners built their business using their own funds, with no outside financing. While "boot strapping" their growth had its advantages (the profits were all theirs), it was sometimes tough going and they never seemed to have the capital they needed to take the business to the next level.

Besides not having the working capital to grow the business the way they knew they could, there was an ill-fated foray into cabinet making that resulted in some painful losses. So there Stapp and ACS were: in need of capital to get the company past the damage inflicted from cabinet making, wanting to refinance some of its high interest debt, and eager to obtain additional funding to pay for expansion of their contracting business.

It was about then that Stapp found the Florida SBDC at UCF. Having recently joined the West Orange Chamber of Commerce, he attended a Chamber meeting where the FSBDC consultant Hunt Dawkins was conducting one of his "Triage Tuesdays" – a program where Dawkins provides no-cost consulting on an appointment basis to the members of the Chamber. Stapp and Dawkins started talking and new options started to appear for ACS.

Stapp had looked into U.S. Small Business Administration (SBA) loans but hadn't gotten very far. Dawkins was able to explain how these loans worked: that the SBA didn't make loans directly, but instead it guaranteed loans made by financial institutions (banks, credit unions, etc.) that met defined lending criteria. Dawkins then proceed to lay out the process, identify what Stapp would need and the best strategy for approaching a bank participating in SBA loan programs.

To his credit, Stapp was savvy about finances. He followed Dawkins guidance and was able to work with his bank in such a way as to obtain more than \$1 million in capital through a combination of a term loan and a line of credit funding structure that was tailored-made for ACS with terms and at interest rates extremely favorable to the company.

"It was outstanding to have an impartial expert, not financially involved in the deal and with extensive banking experience, on our side," commented Stapp. "We took Hunt Dawkins' advice, put things together as he recommended and produced a loan package that even our banker complimented us on. The Florida SBDC was a huge help to us. I wish I'd known about them sooner; the company would be in even better shape today if I had. Now I'm looking forward to participating in their Advisory Board Council program; my board is being formed as we speak."

Providing the tools, strategies, and expertise to help Florida's business community thrive.

State Designated as Florida's Principal Provider of Business Assistance [288.001, Fla. Stat.]

The Florida SBDC at UCF is a member of the Florida SBDC Network, a statewide service network funded in part through cooperative agreements with the U.S. SBA, Defense Logistics Agency, State of Florida, and other private and public partners; hosted by the University of West Florida; and nationally accredited by the Association of SBDCs.

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