

TEAMWORK AND CREATIVE FINANCING IMPROVES CONSTRUCTION COMPANY'S CASH FLOW

A Q&A WITH JOHN WILSON, PRESIDENT OF PENN SERVICES

SUCCESSSTORIES

WHAT ARE THE BIGGEST CHALLENGES YOU FACE AS A BUSINESS?

While nearly all small businesses face a lot of challenges, the construction business seems to face more than most. First and foremost, cash flow is our biggest challenge. Being a subcontractor is very capital-intensive due to our payroll schedule. We're a union contractor and pay our labor every week. Oftentimes, we have to wait several months to get paid for the jobs we've done. So, having strong cash flow and properly managing it is imperative.

HOW DID ENTERPRISE HELP SOLVE THESE CHALLENGES?

We were stymied in the relationship with our previous bank and really struggling to try to find solutions. Enterprise established a line of credit for us to borrow against for short-term needs, which helps us fund our payroll and standard accounts payable. They also established a separate note to help us finance our long-term needs, such as equipment and operational items. We have also been able to reduce our financing fees through sweep accounts. This has made a big difference in saving us financing costs. The way Enterprise's programs help us track receipts and disbursements, as well as their online and ACH tools, have been tremendous for us. It's really been fantastic the way they've offered creative ways to improve our cash flow.

WHAT IS THE IMPACT ON YOUR BUSINESS?

It's been huge. We've established an excellent working relationship with the entire Enterprise team - and when I say team, I'm not saying it lightly. We've met with experts from a variety of departments that have helped us with so many facets of our business. With our line of credit, we are able to pay our vendors and laborers while we wait to be paid for jobs we've completed. And our relationship banker has a wealth of knowledge. He has given us suggestions and advice on different aspects of our business that we've incorporated, which have made a big impact on our business.

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BUSINESS SNAPSHOT PENN SERVICES

Founded in 2008, Penn Services is a commercial construction service that specializes in structural, rebar, curtain walls and glass installation.

PRESIDENT:
John Wilson

HEADQUARTERS:
Palatine, IL



800-396-8141
enterprisebank.com
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