

A LIQUID CAPITAL SUCCESS STORY | PEHR DESIGN

DESIGNING A GROWTH STRATEGY



pehr

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Inspired by a shared love of decor and design, long-time friends Jennifer Kelly and Rebecca Perren launched Pehr Designs in 2010, a lifestyle brand offering stylish home accessories and nursery décor. Carried by well known retailers like Anthropologie and Indigo Books, the line is also popular with a growing international clientele.

With products designed in Canada and responsibly produced in India, Pehr Designs has enjoyed **rapid expansion** both **domestically and internationally**. By 2015, orders flooding in from the U.S. accounted for 80% of sales.

Opportunity was knocking, but Pehr faced a serious challenge. Although the start-up company could fund smaller accounts with personal credit built on existing business relationships, its **bank line of credit was proving insufficient to carry the new business**.

"Business was on a roll, and we were getting larger exclusive POs from customers," says Pehr co-founder Rebecca Perren. "We needed to take **commitments to factories**, and the **bridging period was hard for us to manage**."

The company urgently required a viable, short-term solution to finance continued long-term business growth. After researching several financing alternatives, Pehr Designs chose Liquid Capital's **PO financing** and **A/R factoring solutions**.

"WE CONSIDERED OTHER ALTERNATIVES, INCLUDING OTHER FACTORING COMPANIES. BUT ULTIMATELY, WE CHOSE LIQUID CAPITAL BECAUSE THEY TOOK THE TIME TO HELP US UNDERSTAND THE PHILOSOPHY BEHIND FACTORING AND REMAINED INVOLVED EVERY STEP OF THE WAY."

Rebecca Perren,
Pehr co-founder



OPENING DOORS TO LARGE RETAIL CLIENTS

New to factoring and skeptical at first, Perren marvels at the time and support Liquid Capital invested in allaying their concerns and explaining factoring plus PO financing, calling it pivotal in ensuring their comfort level with this new approach to financing.

“Liquid Capital helped us access cash up front, made payments when needed, improved our timing to get receivables and set up payment cycles with our factories to get the business moving,” Rebecca reports.

A/R factoring also gave Pehr the financial ability needed to land and service big retail customers, an important plank of its growth strategy that accounted for about 50% of its business.

During an 18-month period from 2014 through 2016, Liquid Capital **factored over \$900,000 in accounts receivable** to cover inventory and operating costs. **PO financing provided an additional \$250,000** to purchase raw materials. In total, there were over **50 fundings**.

A CRUCIAL “FACTOR” IN MAINTAINING INVENTORY LEVELS

Calling Liquid Capital a “real partner in helping us grow our business,” Perren praises their ability to help Pehr land new accounts, maintain sufficient levels of inventory and keep production rolling to meet future demand.

“Most of our products are sourced from India, so PO financing helped us maintain wholesale inventory levels and then factoring helped speed up payment timelines when the goods arrived,” Perren notes.

Perren credits factoring for Pehr’s ability to pay the factories on time. “If the factories producing the goods are not paid on time, there is a domino effect,” Perren explains. “Deliveries come in late, causing inventory levels to drop, which translates into unrealized sales.”

The hands-on service and support didn’t stop there. When Liquid Capital took over Pehr’s collections process, they worked hard to allay the company’s concerns to ensure Pehr felt comfortable with the process and the integrity of the operation. They also helped Pehr set up the infrastructure required to track, manage and maintain the accounting paperwork.

“FACTORING IS STILL RELATIVELY UNKNOWN AND PEOPLE ARE UNCERTAIN ABOUT WHAT IS INVOLVED. FOR US, PO FINANCING AND FACTORING MADE IT POSSIBLE TO GET THROUGH A 12-18 MONTH PERIOD WHERE WE NEEDED TO KEEP DRIVING BUSINESS GROWTH THE WAY WE WANTED TO.”

Rebecca Perren,
Pehr co-founder

STRESS-FREE BRIDGE TO BANK FINANCING

With financing in place, Pehr Designs continues to reach more customers with its line of sophisticated home accessories and children’s products.

According to Perren, PO financing coupled with A/R factoring is the ideal solution for maintaining inventory and production when sales are high but credit is tight. She calls it most beneficial for companies that have POs they otherwise would be unable to service. Pehr has been able to drive more business and receive larger orders – all with a “lot less stress.”

“While factoring is not the cheapest option, it provides the financing needed to accept business from larger customers without requiring advance deposits,” Perren states. Plus, “Liquid Capital has been attentive and easy to work with. And they have been great in handling our shift to bank financing.”

With **5X sales growth** and an **improved balance sheet**, Perren credits A/R factoring and PO financing from Liquid Capital for Pehr’s graduation to traditional bank financing. Without a doubt, Pehr Designs is a global lifestyle brand poised for a bright – and stylish – future.

“HAVING SEEN HOW WELL IT WORKED FOR US, I THINK BUSINESSES SHOULD TAKE ADVANTAGE OF PO FINANCING AND A/R FACTORING WHEN THEY DON’T YET QUALIFY FOR BANK FINANCING. IT’S EASY, EFFICIENT, THE PROCESSES ARE VERY CLEAR—AND IT REALLY HELPED OUR BUSINESS GROW.”

Rebecca Perren,
Pehr co-founder

To learn how Liquid Capital solutions including A/R factoring and PO financing can help your growing enterprise, please contact **Michael Banasiak** at **732-223-2290** or visit www.liquidcapitalexpress.com today.

