

How RDP Electric Turned Financial Struggles into Competitive Strength with Billd

Summary

RDP Electric, a prominent electrical contractor in Alpharetta, GA, battled a variety of financial challenges that hindered their growth potential. Faced with payment cycles that reached as long as 90 days, they looked to factoring companies and even relied on personal collateral to cover operational costs while waiting for payment. After partnering with Billd in 2020, they found that material financing and Pay App Advance rapidly alleviated their financial strain, allowing RDP to purchase materials easily, forge stronger GC relationships, and secure larger projects without the burden of financial instability.

Customer Overview

RDP Electric, owned by Raul Pacheco, has established itself as a leading electrical contractor specializing in commercial apartment projects across the Southeast. With over 30 years of construction experience and \$17 million in annual revenue, RDP Electric has carved out a niche in the multifamily market, particularly senior living.



"Billd gave us a huge competitive edge. We stood out from the competition because we were able to pre-purchase so much material... Our clients were asking, 'How are you guys doing it?'"

- RAUL PACHECO | RDP ELECTRIC

The Challenge

Before partnering with Billd, RDP Electric encountered a variety of financial hurdles that hurt their ability to scale.

Long Payment Cycles

Like many subs, RDP faced long payment cycles, often waiting 45 to 90 days to receive payment for completed work. This delay created a cash flow strain that was difficult to manage, especially when staffing companies required payment every 15 days. "I reached a point where I didn't think we could do it anymore, just because of the [financial strain]," Pacheco said.

Limited Financing Options

Traditional banks were reluctant to offer substantial lines of credit to RDP due to the risks associated with construction companies. "Whatever they did offer was very little," Pacheco explained, "It was an ongoing struggle to find funds." Factoring companies provided some relief but added an additional 15-day delay in accessing funds.

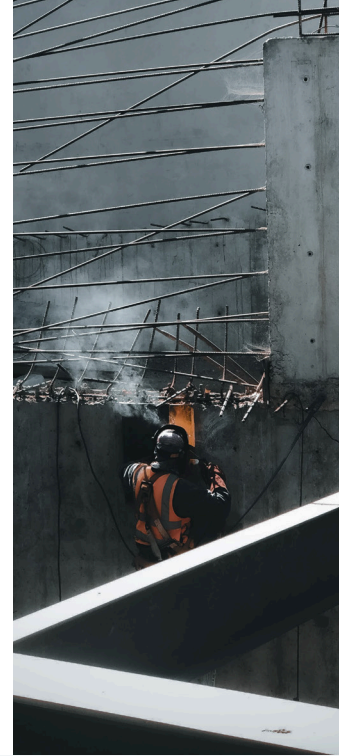
Personal Financial Risk

Pacheco often resorted to securing loans against personal assets to cover payroll and material costs. This approach was risky and unsustainable. "We got into situations where we had to put our house down to get a loan to cover payroll; it was pretty bad," he said.

These capital limitations and cash flow issues compounded for RDP, making it extremely difficult to hit their growth goals.

The Solution

In search of a more reliable financial solution, Pacheco discovered Billd online. He decided to give Billd's financing products a try, a decision that proved transformative for RDP Electric. Initially, RDP used material financing, which allowed them to acquire materials up front and reduced the pain associated with slow pay. Later, they started using Pay App Advance, which offers RDP payment as soon as they submit an approved pay application.



The Results

Partnering with Billd helped improve RDP Electric's financial stability and operational efficiency.

Stronger Cash Flow Management: Material financing and Pay App Advance removed the uncertainty from RDP's financial operations, reducing the strain on their cash reserves and eliminating the need to pledge personal assets as collateral. By adding the cost of Billd's financing charges into their bids, they offset their cost of capital while safeguarding the certainty that they have enough cash to cover their expenses. "Billd really paved the way for us," Pacheco explained.

Competitive Advantage: The ability to secure materials with long lead times, even during the pandemic, made RDP stand out from competitors who struggled with supply chain issues. This helped them win more contracts and impress their GCs. "It created a very secure relationship with the GC and us." With his suppliers, "The fact that we can prepurchase this material gave us a negotiating edge with vendors, which was *huge*. The ability to negotiate the prices if we paid early [made such a big difference]," Pacheco said. "Our competitors are using one job to fund the other... they just didn't have the funding resources we did by using Billd."

Enhanced Ability to Retain Talent: Pacheco's industry peers often struggle to find and retain talent, especially when their ability to pay labor on time often hangs in the balance. It's a struggle he's been able to overcome through Billd. Pay App Advance enables him to comfortably and consistently pay his workers, regardless of project payment timelines.

Growth Opportunities: With stable cash flow and stronger supplier relationships, RDP pushed their service offerings to new markets and pursued larger projects with much more confidence. They anticipate another 25-30% growth in 2025, with many of those contracts already in place.



Pacheco's advice to other subcontractors considering Billd: "Billd makes things so *nice*, and [if you] bid projects the right way, using them doesn't even affect your bottom line. Not using Billd, [on the other hand], means risking your own cash, and to me, that just doesn't seem worth it."