



Ongoing Equipment Investments Advance Market Share of ESP Solutions

David Arnold started ESP Solutions, Inc. like many small businesses begin — in his basement. It may have humble beginnings but ESP Solutions has advanced a great deal since 1981. The company is no longer in Mr. Arnold's basement, but has 25 employees and is a strong player in both divisions of its business — decorated apparel and medical device accessories. Mr. Arnold has adopted an aggressive approach to owning, expanding and maintaining his production equipment which has helped him stimulate growth in an industry where speed and quality are directly related to equipment technology.

Two Competitive Divisions, One Growing Company

ESP Solutions is one of the larger players in the decorated apparel space while also holding a strong presence in producing materials for medical device accessories. In the decorated apparel division, ESP produces a large amount of promotional products in-house. "We are one of the larger facilities that do screen printing, embroidery and digital printing," says Mr. Arnold.

The other division of the business is ISO-certified to produce medical device accessories such as straps for emergency response systems like Phillips' Lifeline and for masks used by sleep apnea patients. ISO-certification is a prestigious manufacturing standard that is hard to achieve, especially for smaller businesses. "If you buy a product from an ISO-certified company, you are pretty much guaranteed that you are going to be getting top-quality merchandise," says Mr. Arnold.

So how did Mr. Arnold grow his business from out of his basement into being a key player in two entirely different, yet quite competitive markets? Staying current with technological advancements, wise investments in production equipment and an aggressive equipment maintenance approach all played a role.



ESP Solutions
For All Your Promotional Products Needs

- Established in 1981, in David Arnold's basement
- Grew from small screen printing shop to large apparel embellishing facility in Taunton, MA
- Keys to success:
 - Willingness to accept change and adjust business objective
 - Aggressive approach to maintaining and upgrading equipment
- Featured products include Nike, Hanes, Port Authority, and Van Heusen



Helping Businesses Grow

Knowing When & How to Upgrade Equipment

Staying in touch with technological advancements in the decorated apparel industry can be crucial to a business' success. However, having the means to do so is not always that easy. The industry has a long history, so a great deal of technology has been developed to improve its operations and outputs. While traditional equipment is effective, Mr. Arnold believes that it's more difficult to produce with the same quality and speed using older equipment. Upgraded, newer models allow for greater production in a shorter period of time. In addition, technological advancements are allowing today's apparel decorators to produce far more advanced designs. Businesses with the latest models, like ESP Solutions, may be able to more effectively compete.

However, the reality is that the equipment is not cheap. Not every business can always afford



to upgrade to the newest model. "Very few printers will have [the latest] technology. They can't always get into this equipment [because its] expensive. That keeps a lot of players from buying," says Mr. Arnold. ESP Solutions is no exception, so Mr. Arnold takes an aggressive approach to maintaining his equipment.

Mr. Arnold understands his equipment and thus, knows what parts and pieces are likely to break. "We keep the parts that we know will need replacement on hand all the time," says Mr. Arnold. "With printing equipment, if it's out and we have to wait three days for a part to come in, we are out of business. We can't afford to do that."

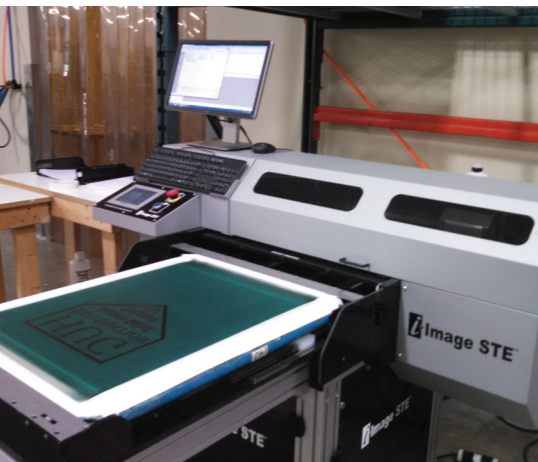
While maintaining current equipment has been critical to ESP Solution's success, growing businesses also reach a point where equipment upgrades are necessary.

"[We lease] equipment that we need to meet customer demand [and] to stay in touch with changing technology. Without [the new equipment], we would not be able to sustain our growth." — MR. ARNOLD

Equipment Investments That Open Doors

The company's approach so far has been to invest in new equipment to keep up with demands of present customers but at the same time, to open doors to new customers.

That's why a good partner for investing in equipment is key. With Beacon Funding, Mr. Arnold was able to structure a "lease to own" transaction so that ESP Solutions could continue to generate revenue with the equipment well after the final payment was made. Well-run businesses with an established time-in-business, like ESP Solutions, have many equipment financing options. However, Mr. Arnold continues to use Beacon Funding because his experience has been that a niche equipment lender, such as Beacon, offers equipment knowledge and a convenient financing process that is extremely important to his business.



Mr. Arnold's experience has been that the equipment knowledge and quick, convenient process of a niche lender like Beacon Funding is important to his business.



Helping Businesses Grow

“ We looked at Beacon as our only option for leasing... granted you save a little by going to a bank but dealing with a bank also comes at a price. We chose not go that route. You have to pay for the equipment one way or the other. Our Beacon Funding consultant made everything easy and simple. The deal was always moving and was never hung up on regulations.” — MR. ARNOLD

Recently, ESP Solutions leased a new direct-to-screen digital printer with Beacon. It's a newer technology and should be much faster and produce higher quality work with less labor and less resource waste, according to Mr. Arnold. This equipment lease is integral to ESP Solutions efficiently making screens at a lower cost.

Mr. Arnold's success is large a part of his willingness to accept change and adjust his business to grow. That also means adjusting the roles of his employees to utilize their strengths. Under his strategy, ESP employees become key members of the “ESP team.” “When given the opportunity, many [of my employees] will step up to the plate and help the company grow as a whole.” Mr. Arnold's insight into his company led him to partner with a niche equipment lender like Beacon Funding, allowing him to accelerate that growth by acquiring the latest technology sooner rather



than later. Mr. Arnold's willingness to embrace the industry's technology in order to produce a high quality product for his customer has helped him to grow his company. Beacon Funding has been there to help him in his goals so that he can upgrade when he needs, in a way that fits his business model and fits his industry.



Equipment financing allows ESP Solutions to upgrade equipment easily, meeting client expectations for high-quality custom apparel.

About the Success Spotlight Program

Businesses are featured that have experienced growth and prosperity through the years. At some point, they have leased or financed equipment with Beacon Funding, adding to their success and/or enabling them to reach greater accomplishments. To join the Success Spotlight Program, please apply online at: beaconfunding.com/successspotlight/enrollment.aspx



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