

Bootstrapped to Bankable.

How K-Tech built the financial infrastructure to grow a one-acre startup into a \$14M fleet

THE CLIENT

K-Tech Equipment

Heavy equipment sales and rental for the 1-to-20-person crew — Upstate South Carolina • ktechequip.com

FOUNDED

2017, by brothers Eric and Andrew King — second generation of an equipment family (Ron King's Heavy Salvage)

THE GROWTH

From a one-acre shop in Pickens to 40,000 sq ft on 26 acres — \$14M in equipment, 28 employees

THE TURN

Bootstrapped until 2023, when demand outran the fleet — nationals stock \$15–\$20M per location; K-Tech held ~\$3M

SPARA'S ROLE

Fractional CFO, entity-level reporting, banking, cost management, and strategic advisory

SERVICES USED

- Fractional CFO
- Entity-level monthly reporting
- Banking & lender relations
- Cash & debt management
- Cost & profitability analysis
- Ramp & internal controls
- Expansion & succession advisory

THE BOTTOM LINE

"Going to a bank, you've got to speak an alien language. Spara helps you speak it."

— Andrew King, Co-Founder, K-Tech

THE CHALLENGE

Eric and Andrew King knew equipment. They grew up in it, launched K-Tech in 2017, and bootstrapped it on family capital and collateral — no outside debt. By 2023 the formula hit a ceiling. Their new facility was open, customers were calling faster than the fleet could turn, and the math was blunt: national competitors stock \$15–\$20 million in equipment per location. K-Tech held roughly \$3 million. To compete, they had to at least double.

That meant debt — and a language the family had never needed. Andrew ran the operations cold but couldn't trust his own reports: a truck purchase miscoded as \$112,000 of "office expense," payroll that looked like \$1,000 but actually cost \$1,694 once taxes and benefits landed. Bankers loved the story over lunch. Underwriters wanted numbers.

"The bankers taking me to lunch? I probably could have borrowed anything. But when it comes to underwriting, that's a different story."

— Andrew King, Co-Founder, K-Tech

WHY SPARA

The Kings already ran a roundtable of advisors — wealth management, estate attorneys, a tax CPA. One seat stayed empty: a CFO inside the business. A first fractional CFO reviewed emailed files once a month, but with unreliable books it was garbage in, garbage out. Through the dean of Clemson's MBA program, Andrew met Chris Rawlings, CPA — and Spara took the opposite approach: start in the bookkeeping itself, fix how every number enters the system, then advise on numbers worth trusting.

*"It's one of those things — I can't afford a CFO.
I can't afford NOT to have a CFO."*

THE NUMBERS

\$14M

equipment fleet, up from ~\$3M in 2023

\$600K

in cost reductions identified and cut

\$1.2M

EBITDA this past year; profitable since 2022

THE PARTNERSHIP, PHASE BY PHASE

Phase 1 • Fix the Foundation

Spara started where the numbers are born: the bookkeeping. Paper checks and folders of receipts became Ramp and QuickBooks Online, with internal controls around purchasing, approvals, and disbursements. Streamlined AP let K-Tech eliminate an administrative position — and the monthly reports turned professional enough that, in Andrew's words, you couldn't tell them from a \$20 billion company's.

Phase 2 • Speak the Bank's Language

Spara sat beside Andrew in the meetings with bankers — opening the books, showing the trend, and explaining exactly what the money would buy and how it would be repaid. An independent advisor at the table changed how lenders read K-Tech. Loan renewals that once took weeks of report-gathering now go out with a click.

Phase 3 • Know the Real Numbers

Clean data exposed the truths gut feel had hidden: \$13,900 to a single tire supplier in one month, and true monthly equipment payments well beyond what leadership had assumed. The family set a hard debt service coverage ceiling — a shared number, not a gut check — and spent the next years refining the fleet and processes inside it.

Phase 4 • Cut Costs, Fund Growth

Working with Andrew on cost structure, Spara helped identify roughly \$600,000 in reductions. Profitability has grown every year since 2022 — about \$1.2 million in EBITDA this past year — and the next move is planned to the dollar: a new location modeled and forecasted to be funded by current operations and cost shares.

THE OUTCOMES

- **\$600,000 in costs cut** — identified with Spara and executed by leadership — the single biggest driver of growing margins
- **\$1.2M EBITDA** — this past year, with profitability rising every year since 2022 even as gross revenue fluctuated
- **\$14M fleet, financed with discipline** — growth capital raised with its banking partners under a family-set debt service coverage ceiling
- **Weeks to one click** — lender reporting that once took weeks of gathering now goes out same-day at renewal
- **Expansion by arithmetic, not gut** — the next location modeled and forecasted to be funded by current operations and cost shares

IN ANDREW'S WORDS

"Do what you do best and hire the rest. Surround yourself with people smarter than you, and you all climb your way to the top."

"I think if I erased the name off the front of our reports, you wouldn't know whether we were a \$20 billion company."

"Four years ago, Spartanburg would have been a gut-check feeling. Now I know what it will cost — and I can pluck out exactly 12 things to free that up. You can't put a dollar price on that."

"If you have doubts about your numbers — or honestly, if you're too confident about your numbers — that might be just as much of a problem."

"If another business owner called me tomorrow about bringing in Spara?

You can't afford not to do it. Truly."

Ready for a financial partner who grows with you?

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