

Launching business was 'right thing to do'

By MARK BOLTON

It's Friday. Carole-Ann Miller hurries out to the reception area of Maple Trade Finance's offices. The offices are on the 7th floor of the Cornwallis Tower at the corner of Spring Garden Road and Queen Street. The huge glass windows look out over the Halifax Harbour.

Miller is the company's co-founder and president. She is wearing a grey power suit, grey high-heeled shoes and a black T-shirt with Dolce & Gabbana emblazoned across the front.

On the left side of her chest sits a silver spider brooch glistening with an assortment of jewels. She is worried about a crane accident in New York, fearing it may be owned by one of her construction clients. She leads the way into her corner office.

In stark contrast to her corporate appearance, her office looks like a creche. Colourful children's paintings cover the walls, a couple of them saying "I love Mom." There's also some pottery, which too seems to have been made and painted by children.

In the far corner is an assortment of photos of children.

In 2001 Miller and her husband, Michael, started Atlantic Trade Finance, a transactional lending business. Despite having two daughters, Samantha and Alyssa, then aged 5 and 3 respectively, and a mortgage, both Carole-Ann and Michael quit their jobs to start the business; Carole-Ann was the president of IFS Financial Services and Michael had a job in IT.

Miller says that having both breadwinners of the family leave their jobs to start the company was risky.

"Some would say that's brave, others would argue that's stupid," says Miller. "We really felt it was the right thing to do. We did a lot of research in the market so we were satisfied that a lot of potential existed."

The impetus to start the business came from Miller's experiences at CIBC, where before joining IFS, she was a regional manager.

While at CIBC, Miller said she would get a phone call at least once a week from a branch manager or an account manager saying, "Carole-Ann I've got this really good client, they need more money for whatever reason. I can't get it through credit because the balance sheet won't support the bump-up request. Can you try and get it through?"

Despite the fact that they were good clients with a good product and a good buyer, nine out of 10 times Miller was forced to say no.

"I became increasingly frustrated at seeing these really good opportunities that the bank just wasn't able to finance," says Miller. "That's why we started it, because I thought there was a whole market out there that wasn't being adequately serviced."

MTF works by lending off soft assets. So while the banks lend off hard assets, balance sheets and past performance, MTF will lend off the strength of a transaction, such as a purchase order, receivables, or a contract.

It effectively takes on an impending debt. "Our risk is not on our client," says Miller. "Our risk is their client's ability to pay us back."

Before entering into any loan, MTF does due diligence on the buyer and also mitigates the risk by insuring the transaction. "So as long as you have a good product and a good buyer, why should I be worried if you don't have a good balance sheet," says Miller.

"There's a misperception in the marketplace that we take high-risk business. We don't. We just assess risk in a very different fashion than the banks."

The business was successful right from the get-go. When they started under Atlantic Trade Finance, all the money being lent was privately funded and all disposable money was put to work.

"Business was growing so fast because there was so much demand in the marketplace for alternate sources of funding," says Miller, "and there continues to be a big demand for alternate sources of funding."

Despite the successes the business has had to date, Miller concedes that it hasn't all been stress-free. The nature of the business is that it's impossible to know when it will get financing requests or when the financing is going to pay out. This makes it very hard to manage cash flow.

"So we've got an awful lot of margin calls from the bank," says Miller.

"You get that phone call saying, 'I need that \$200,000 in the bank tomorrow or we pull the line.' Those are scary moments."

While the company is based in Halifax, it has offices in Montreal, Ottawa and Toronto and hopes to open a Vancouver office in the next few months. Miller says that being based in Halifax has its advantages and disadvantages.

Ironically, the biggest advantage is also the biggest disadvantage — the workforce. As employees, Miller has found Haligonians to be well educated, with a good work ethic and "a sincerity in dealing with clients that clients appreciate and value." The disadvantage is that there are not enough of them here.

"The pool is too small," says Miller. "So while there's a really good, qualified labour force here, I have a really hard time hiring people."

Dealing with a lot of exporting businesses with international clients, MTF has a great

need for multilingual employees. Linguistic capabilities in the office include Mandarin, Cantonese, Hindi, German, English, French and Spanish. Miller needs another Spanish speaker and Hindi speaker but is having great difficulty finding appropriate people.

In 2004, the Millers sold the business to Maple Financial, a Canadian-based global financial organization, and the name was changed to Maple Trade Finance. Just like many of their clients, the Millers found they had outgrown their borrowing capacity and needed access to capital.

Despite handing over control of the firm, Miller remains driven and growth orientated. While the focus is currently on growing within Canada, Miller has learnt never to say never about future growth opportunities.

David Surette, the regional vice-president, Atlantic Canada, for Export Development Canada, has experienced first-hand Miller's determined approach to business.

The agency insures some of the loans issued by MTF and Surette says that Maple has been instrumental in helping many local companies succeed.

"If you get a young company that is overtrading, doesn't have the equity that's required, the banks don't want to take that risk and they are probably too small to get the necessary venture capital investment, she (Miller and MTF) is the vehicle that allows them to grow to the next stage."

Surette says Miller also has a soft side to her personality. "Even though she is driven and disciplined and so on, she remains a very congenial and easy person to work with."

Mark Bolton is a freelance writer living in Halifax.

X CLOSE ARTICLE

© 2008 The Halifax Herald Limited