

CASE STUDY

ACCOUNTS RECEIVABLE FINANCING

COMPANY PROFILE

Manufacturer of wooden crates

Annual sales \$500,000

Facility amount \$200,000

BUSINESS SITUATION

This new company manufactures specially designed wooden crates for the cranberry industry. Because it offered an innovative and unique product, the company found itself increasingly overwhelmed with new orders. The company was facing severe cash flow restrictions when it contacted Maple Trade Finance.

CHALLENGE

As is the case with many start-ups, the company's insufficient net worth impeded access to financing from traditional banks. The nature of their operations was cash-intensive, with requirements to support a growing payroll and to purchase large amounts of raw lumber. Buyer payment terms longer than those offered by suppliers resulted in very limited cash flow, greatly hindering the company's ability to take advantage of new business opportunities.

SOLUTION

Maple Trade Finance's Accounts Receivable Financing program was implemented. The program allowed the company to leverage 85% of its invoicing immediately upon delivering its finished product to the customer.

BENEFIT

The company gained increased working capital and cash flow capacity, enabling it to pay suppliers faster, obtain supplier discounts and meet its new orders.

RESULT

The company no longer worries about accepting new orders, knowing that it has access to immediate liquidities.