

MONEY\$ LINES

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NEW BUSINESS

We are pleased to have funded the following new client types last month:

- Packaging components manufacturer
- Electrical cord distributor
- Finished business interiors installer
- Cutting tools distributor
- Sports apparel manufacturer
- Greeting cards designer and manufacturer
- Jewelry designer/manufacturer
- Auto/Truck parts and accessories distributor
- Tractor trailer refrigeration parts and service
- Data storage company
- International International importer and manufacturing resource
- Trucking company
- Data and electrical contractor
- Transportation company
- Industrial metal foundry

Much of our business comes to us from financial professionals like you. Thank you very much for your trust. Please continue to send us your financially challenged customers.

FVF Helps Fast-Growth Companies Meet Financial Challenges

Waterstone, Inc.: Fast Growth, Slow Payments

Any company that has been through a high-growth phase can testify to the fact that while fast growth is certainly better than slow or no growth, it presents financial challenges of its own.

Mike Waters, president of Jacksonville, Florida-based Waterstone, Inc., can relate. He started his company — which sells bath accessories, candle holders, picture frames and related items to large national retailers like Target and Bed, Bath and Beyond — about six years ago, and the business has doubled in size every year since.

For Waterstone, the fast-growth challenge was exacerbated by its payment terms with customers. “Most of our customers’ payment terms are 60 days, so we have a lot of cash sitting out there at any given time,” says Waters. “It’s hard to finance growth when you’re waiting on that much cash.”

In effect, the company was growing too fast for traditional bank financing. “They were maxed out with their bank and couldn’t grow without additional working capital, so that made them a good candidate for factoring,” says Robbin Arnold, Business Development Officer with First Vancouver Finance (FVF).

Waterstone began factoring invoices with FVF in January of 2004. “Factoring has given me the flexibility to get at least 80% of my invoices right away, and that has enabled us to grow to the next level over the past year,” says Waters, who notes that Waterstone will gross \$3.5 million in sales in 2004. “I don’t know how we would have made it through this past holiday season without FVF.”

THE HERITAGE COMPANY: ONLINE ACCESS IS A BONUS

The Heritage Company, based in Columbia, South Carolina, faced a similar dilemma. The manufacturer of high-end children’s apparel under the brand names



By Don Sadler

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Lecirque and Carolina Baby supplies 200 specialty retailers in the United States.

“Most of my customers pay me in 60 or sometimes even 90 days, but I need immediate capital to reinvest in fabrics, pay designers and import materials,” says The Heritage Company’s president Drew Creed. An average invoice can reach \$3,000-4,000, he notes, “so the money outstanding adds up quickly when you’ve got 200 stores.”

Mike Pierce, also a Business Development Officer with FVF, put together a factoring arrangement for the company last spring. “Now they can fund their transactions quicker and continue to grow,” says Pierce. “Factoring through FVF, provided immediate availability of working capital based on an 80% advance of my invoices, wired to me within 24 hours,” adds Creed. “Plus, it takes tremendous resources to keep up with collections from all of these stores, but FVF handles the bulk of that work, which saves me from having to hire someone to do that.”

Perhaps the best part of Creed’s factoring arrangement with FVF is the convenient online access to his account. “I spend a lot of time out of the country overseeing production, and it’s great to be able to see everything online,” he says. “As long as I can get to an Internet connection, I’m able to stay in the loop.”

For example, Creed says one of his major accounts recently bounced a large check, but he was able to stay on top of the situation from overseas due to the online access. “I’m looking into setting up an office overseas in Chili but keeping my operations here in the U.S., and FVF’s online capabilities make this a possibility. I’m not sure other finance companies have this option.”

If you’d like to learn more about how FVF may be able to help your financially challenged clients, please contact us.

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