

A Wisconsin manufacturing firm needed
a line of credit to provide working capital...

May, 2009

Wisconsin manufacturing firm
received a

\$1,750,000

Accounts receivable line of credit



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Lines of credit secured by accounts receivable & inventory
Factoring & Equipment financing

The company manufactures product used primarily in home building. They have been in business for three generations and recently changed to an employee stock ownership company. The company had a line of credit and term loan with a very large bank.

With the significant slowdown in housing construction the company's sales fell in 2007 and 2008. As a result the company reported operating losses for those years. In response to those losses their bank accelerated amortization of the term obligations and asked the company to find other financing.

Even with these operating losses the company was cash flow positive due to significant non-cash expenses. The company sought to restructure their balance sheet. They talked to a local bank and arranged a United States Department of Agriculture guaranteed term loan that reduced their annual debt service significantly. In addition to that the company called Great Lakes Business Credit. Our initial analysis showed the company could meet the lower debt service even at the lower sales levels.

Great Lakes agreed with the management team's assessment that sales would eventually begin to rebound. We issued a proposal for a new line of credit. Great Lakes performed our normal due diligence and funded the new line of credit in conjunction with the local bank's term loan. The combined new loans paid off the existing bank and provided fresh working capital. With this stable source of working capital the company is in a position to work through this period of slow sales and still be operating when home building rebounds.



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