

Case Study

Wrist Watch Company: Trade Financing & Factoring





BACKGROUND

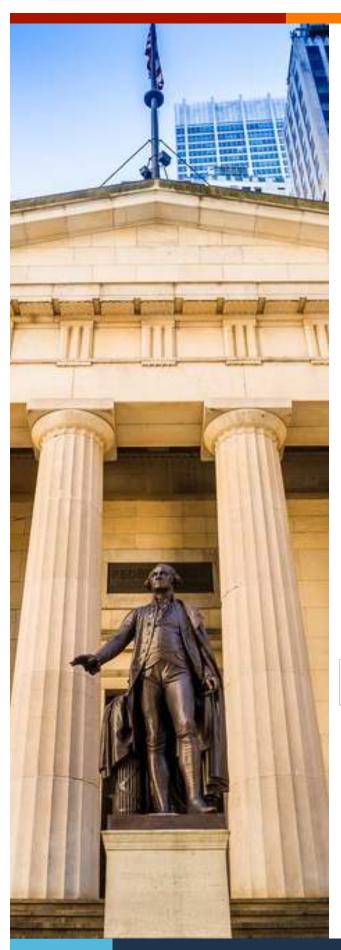
- Local family owned and operated wrist watch company headquartered in Upstate New York with its roots dating back over 100 years
- Majority of accounts receivable were long standing relationships going back 40 years

COMPANY CHALLENGES

In addition to struggling with collections, bad debt and a lack of working capital, this company also operated below breakeven. Their debt exceeded the value of A/R and they were placed on cash-in-advance terms with vendors. The company was in work out with their primary bank on a \$6 million credit facility.







CAPSTONE'S SOLUTION

- Provided Trade Financing and a Factoring Facility
- Conducted a credit review of all customers
- Reestablished credit terms with the company's vendors
- Had company sell off old unusable inventory & non-sales generating assets and release excess employees to reduce monthly operating overhead

PROGRESS & FUTURE OUTLOOK

- Sales doubled first 12 months expected to increase by another 30% for 2014
- Customer base shifted from small boutique retail stores to major big box retailers and home shopping shows
- · Bank line significantly reduced



LEARN MORE TODAY

Email: <u>info@capstonetrade.com</u> or Call: 212-755-3636 or 347-821-3400