

## CASE STUDY

**Watches :**



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.

**Background :**

Local family owned and operated wristwatch 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

- 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

**Process & 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