camsa

CASE STUDY

ACCOUNTS RECEIVABLE OPERATING FACILITY

COMPANY PROFILE

Manufacturer of flavoured cooking oils for the retail market
Annual sales < $1,000,000
Facility amount $300,000

BUSINESS SITUATION

This company manufactures unique consumer oil products in Canada and the U.S., for sale to large grocery chains across North America. Financing of the company's development to the production stage was provided by the capital markets (hedge fund).

CHALLENGE

With orders and commitments from some of the largest grocery chains in North America, the company's working capital could not support ongoing production as well as their customers' typical 30-75 day payment cycles. With years of development costs on its books and being an "unproven marketer manufacturer", traditional bank financing was unavailable.

SOLUTION

The company sought the guidance of EDC Small Business Solutions and secured receivables insurance to protect their foray into the export market. Camsa's Accounts Receivable Financing provided a cost effective solution by increasing cash flow while sales were growing and facilitating increased inventory turnover.

BENEFIT

The company immediately benefited from the increased working capital and cash flow during the first year of sales.

RESULT

The Accounts Receivable Financing that Camsa set up resulted in a steadily increasing sales and market share, profitability and a possible sale of the company to a larger market participant.

Camsa Inc.
5475 Spring Garden Road, Suite 701, Halifax, NS B3J 3T2 • T: (902) 444-5566 • F: (902) 444-5567
Toll Free: 1-866-444-6555 • Toll Free Fax: 1-877-655-5567
www.camsa.ca