

International Financing Solutions Helping American Businesses Capitalize on Global Opportunities



FGI FINANCE

by David DiPiero

With the continued expansion of the global economy, companies everywhere are aggressively competing for new business in foreign markets. To this end, more and more companies of all sizes are choosing to partner with reliable commercial finance companies in order to gain a competitive advantage and secure the business.

But the playing field is no longer restricted to the largest companies. Some unique commercial finance companies are leveling the playing field and enabling small-to-medium-size companies to jump into the race and compete with the larger organizations- and win.

So what makes a commercial finance company truly exceptional? A company that acts as a true partner. One that not only provides clients with foreign receivable financing, but also specializes in international business, takes the time to understand their clients' businesses, and helps them capitalize on opportunities as they materialize.

Success in foreign receivable finance depends on being able to deliver the following services to clients:

- Handling foreign receivables from all foreign markets, not just a select few regions;
- Financing in a multitude of international currencies;
- Issuing credit protection to U.S. clients to minimize risk abroad;

- Providing credit services such as approving and establishing credit limits for potential overseas customers; and,
- Acting effectively and quickly to secure financing for clients so that they can capitalize on new business opportunities as they materialize.

Finance companies that provide such a comprehensive suite of services will not

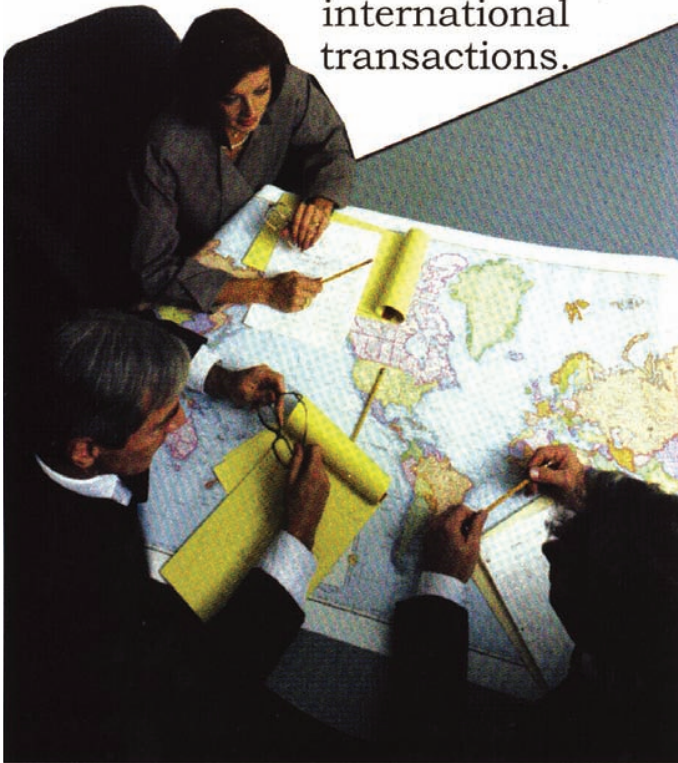
be able to compete in the international marketplace, but help clients take their international business safely to the next level.

The needs of the Bradenton, Florida-based Conveyor Concepts Corporation (CCC) underscores the new sets of challenges facing domestic companies looking to capitalize on opportunities in international markets.

By the end of 2005, CCC would point to an increase in sales from 2004 to 2005 of more than 200 percent and was forecasting annual sales and profits to more than double in 2006. CCC's rapid growth can be largely attributed to a comprehensive program of creative foreign receivables financing solutions that its finance companies has been providing for the last year.

By April 2005, CCC CEO Bernie Moltchan had explored every avenue he could think of to secure additional financing for his company. Funding was necessary for the company to expand its operations so that it could handle the new orders it

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was receiving from a European packaging giant.

Mr. Moltchan had already taken on significant financial risk, having built his factory by taking out private loans and mortgaging his house. Before discovering its commercial finance lender, Mr. Moltchan thought he might be out of options because his local bank was unable to understand his company's international financing needs.

Mr. Moltchan needed money immediately to pay suppliers so that he could fulfill orders to specialized packaging machines and customized conveyor systems. CCC's contract with the European company was to supply machines in North America, but payment to CCC was to be made under a timeline dictated by the European company. Mr. Moltchan's company was staring at an opportunity to increase its business exponentially, but needed additional capital to realize its potential.

Luckily, a lender specializing in the international market received an email from a business broker with knowledge of CCC's predicament. The very next day, the lender's executive director was on a plane to Florida to visit the CCC plant. "Given the urgency and complexity of the company's situation, it was necessary to meet with him in person as soon as

possible in order to begin developing a financing solution for him immediately," said the director.

Within the two-week period following the visit, the lender analyzed CCC's financing needs, assessed the credit risk associated with CCC's international business partners, and advanced CCC the financing it needed to move forward with the orders.

The lender took the burden off CCC by assuming the responsibility of assessing customer risk before CCC fulfilled client orders, so that the company could receive money up front and not be concerned about receiving payment from international customers. By the end of 2005, CCC was showing a net profit for the first time in history. "The asset-based financing plan is incredibly flexible and we are growing our program with them as we develop," explained Mr. Moltchan. "The plan filled our need for immediate cash flow. They understood our business and customized its services to meet our needs."

It was clear to the lender that CCC produced the best product in its market and simply needed additional financing to expand its operations and fulfill client orders. In the case of CCC, the lender quickly grasped the importance of the timing issues related to CCC's situation, which led to the decision to expedite financing. What Mr. Moltchan and his staff needed was to find a financing company who understood that, and was both able and willing to provide the financing necessary to move the company to the next level.

"Without financing from its lender, CCC wouldn't have been able to move the volume we have over the past year. Suppliers in the U.S. want payment within 30 days and don't care if we are waiting on foreign companies who operate under a different timeline," said Mr. Moltchan. "The financing services have enabled us to expand operations, take on new customers, and create new jobs, so that we are now operating more like a large company, without any worry about putting our feet forward as we grow."

With U.S. businesses turning to more overseas markets to find opportunities to increase revenues, having a finance partner that provides its clients with a comprehensive single outlet for handling foreign receivables from all foreign markets, not just a few regions, is crucial. As foreign markets expand and grow, U.S. companies across all industries will continue to increase the demand for firms that offer comprehensive financing services that meet the needs of their international transactions.



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