

Solving the seasonal cash crunch.



"Tradecycle has been a great liquidity resource over and above our traditional bank relationship. They help improve cash flow throughout our busy season and provide Harding with extended payable terms."

*Sean Rizer
Chief Financial Officer*

Highlights

- Tradecycle funds its clients payable obligations
- Tradecycle extends DPO for its clients creating instant liquidity
- Tradecycle's solution is effectively "Finance as a Service"
- No UCC, liens or collateral required



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Problem

The Harding Group, a vertically integrated asphalt company, has faced challenges with working capital due to the seasonality of their business. You simply cannot lay asphalt in the winter in the Midwest. After a few months of being virtually dormant, once the weather breaks, the company requires significant capital to start the season. Unfortunately, at the outset of the company's busy season, they simply do not have sufficient collateral (e.g. receivables) to borrow against.

Solution

Tradecycle's unique Payables Finance model was an ideal liquidity solution as it allowed the Harding Group to purchase necessary raw materials to begin production and enter new contracts. Further, Tradecycle's model was designed to provide Harding extended terms on their payables, especially early in the season, to improve cash flow. Tradecycle's program was implemented to work in unison with the company's existing LOC without the need for intercreditor or subordination agreements. Further, the company has continued to use Tradecycle's program to make strategic purchases of material to improve its internal operational schedule and take advantage of early payment discounts.

Results

The company obtained a 7-figure revolving facility to augment their existing capital structure.

The company has utilized the program efficiently over the last several years, to meet their seasonal needs without excess costs in the offseason.

The company has targeted use of the facility with key vendors to improve overall relationships and take advantage of early pay discount opportunities.