



HELPING YOU  
**GROW...**

# FINANCING AMERICAS FASTEST GROWING COMPANIES®



## WHO ARE WE?

Founded in 1984 and with offices nationwide, Amerisource is the leading provider of working capital financing for growing businesses throughout the USA.

- We offer two operating platforms:
- Asset Based Lending (ABL).
  - Accounts Receivable Factoring.



## WHY PARTNER WITH US?

Amerisource's entire organization is built around a strong "clients first" attitude. We realize that we have to earn your business every single day. Though we don't require long-term commitments, we do foster long-term relationships.

We know first-hand that building a successful business is no easy task.

Amerisource is dedicated to being an entrepreneurial-minded partner who knows and anticipates your needs.

We could support you through your business start-up, growth, maturity or turnaround.

As a customer, additional benefits may include:

- State-of-the-art systems and reporting with 24/7 online access to your portfolio.
- Award-winning Customer Service.
- Customized reporting.
- An experienced Relationship Manager assigned to you.

And finally, our average client tenure is in excess of **50 months**, which is more than twice as long as the industry norm. Our relationship with our clients is built on **trust**.



At Amerisource, **Freedom to Grow**® isn't just a slogan. It's a concept that all of our stakeholders – clients, employees and investors alike – can rally around. And we believe passionately in it.

Our goal is to provide the level of financing, support and customer service that will help you not only survive, but thrive – **giving you real Freedom to Grow**®

Recent research shows that Amerisource customers enjoy 4.6 times more organic growth!

That's 14% growth in comparison with only 3% from non-Amerisource customers.

Dun & Bradstreet 2017



## OUR TYPICAL CLIENTS...

We provide creative funding solutions to a variety of industries, including:

- Manufacturers
- Distributors/ Wholesalers
- Staffing
- Energy sector
- Transportation
- Service companies
- Other B2B businesses



## A FEW CASE STUDIES...

**Type of Business:** Oil Field Services

**Size of transaction:** \$250,000

**Type:** Accounts Receivable line

**Situation:** The company is a startup and approached their bank for a line of credit. The bank was not able to provide the line and referred the company to Amerisource. Amerisource is handling the credit needs with the bank providing non-credit services.

**Type of Business:** Specialty Outdoor Apparel

**Size of transaction:** \$1,500,000

**Type:** Asset Based Lending Facility

**Situation:** As the company worked through a turnaround due to changing market conditions, they needed a credit facility to support ongoing business. Availability is based on Accounts Receivable and Inventory.

**Type of Business:** Transportation

**Size of transaction:** \$3,000,000

**Type:** Asset Based Lending Facility

**Situation:** The company's existing bank referred the client to Amerisource due to recent losses. Amerisource provided a means to help the client immediately while giving the flexibility to return to the bank at any time without worrying about a termination fee.

HELPING YOUR BUSINESS  
**THRIVE...**

“

**I have worked with other factoring companies and Amerisource is by far the best.**

Jason Ray, General Manager

”





## FREEDOM TO GROW<sup>®</sup>

### ASSET BASED LENDING:

- Credit facilities from \$500,000 to \$15,000,000.
- Governed by borrowing base.
- Advance rates up to 85% of A/R.
- Other assets to be considered include inventory, real estate and equipment.
- Short-term commitments available.
- Quick and easy approval process.

### TYPICAL SITUATIONS:

- Rapid growth.
- Existing lender looking to exit/reduce exposure.
- Turnaround situations/interim losses.
- Tax or A/P problems.



### A/R FACTORING:

- Credit facilities from \$50,000 to \$15,000,000.
- Advance rates up to 90%.
- No minimum funding amounts.
- No contract term requirements or field audits.
- Quick and easy approval process.

### TYPICAL SITUATIONS:

- Small and middle-market companies experiencing high growth.
- Businesses experiencing cash flow issues during turnaround or transition.
- Lenders interested in reducing exposure.

### A/R FACTORING & ABL CLIENT BENEFITS:

- Cash flow injection to fund growth, re-finance existing debt, catch up on past-due payables or for other working capital needs.
- True “floating” credit limit to maximize availability and facilitate client sales growth.
- Professional comprehensive A/R management services: Credit reviews and credit limits for customers, collection assistance and credit protection from bad debt losses.
- Take supplier discounts.
- Increase your return on equity.
- Stay current with note payments.
- 24-hour online secure account access.

# FAQ's...

## 1) Since money is tight with banks, most businesses are looking at other areas to find funds for cash flow. What is factoring and how does factoring fit into this equation?

Factoring is the selling of accounts receivable for cash to a finance company. In reality, factoring operates in a very similar way to a line of credit with the bank. The banks generally look at a company's financial performance and the owner's personal credit to make a credit decision. In today's economy, we have found that not every company's financial performance fits with the banks typical lending parameters. Many of the banks are internally focused on regulatory and compliance issues. This often leads to further tightening of their lending standards. For factors, it is different. Factoring companies, like Amerisource, generally decide based upon the nature and performance of the company's accounts receivable. So, if a small business still has good accounts receivable but the rest of the company is not bankable, then factoring could be a solution.

## 2) Who should consider factoring as an option to improve cash flow?

A good candidate would be a company that sells, on credit, to other businesses and has good - quality customers. Furthermore, if they cannot obtain sufficient credit from the bank, then they should consider factoring.

## 3) What are the top five benefits of factoring?

- Access to cash to fund a business when traditional bank financing methods are not available.
- The company can only borrow cash based on their actual sales. This ensures that they will not have more debt on the balance sheet than their assets can support.
- The factoring company will check the company's customers. This is to establish their creditworthiness.
- The factoring company will support collections, where needed.
- Factoring means that a company can have the confidence to target and accept new business with creditworthy customers, without having to worry about the funding.

## 4) How does factoring compare to Cash Flow Lending / Cash Advance / Merchant Cash Advance?

Recently, there has been a significant buzz about the Cash Flow Lending product. While this product looks like an attractive quick solution, you should ask how much are they really charging? The answer is typically more than 100% APR - we've seen as high as 200% APR!! So in reality, the true cost is hidden. Factoring, while more expensive than bank financing, is only a fraction of the total cost of a Cash Advance. With Cash Advance, the client gets the advance paid directly into their checking account. The client then has to start making daily repayments (deducted directly from their checking account) to pay off the Advance in 3 - 6 months. Many clients, after only a short time, discover that they need more cash and are forced to go back to the lender to obtain an additional high interest rate loan (this is referred to as "Stacking"). Factoring, on the other hand, is a true operating line of credit that matches the client's cash needs with their business operating cycle. It is a much more sustainable and responsible way for a company to fund their operations as a going concern.

## 5) Can any negative repercussions come from factoring? What is the downside to factoring, if any?

It can potentially be a more costly option than bank financing. Even so, factoring is only utilized if bank financing is not a viable option. Some clients have expressed a concern that factoring could be viewed negatively by their customers. However, most factoring clients simply tell their customers that they are outsourcing their accounts receivable management. Our experience is that the client tends to grow with us in contrast to contracting. Recent 2017 research by Dun & Bradstreet supports this statement. They found that our customers enjoy **4.6 times more organic growth!** That's 14% growth in comparison with 3% from non-Amerisource customers. Amerisource customers also experience a 26% increase in scale. This is 2.8 times greater than a non-Amerisource customer.



**Danilo Chang**

Regional Market Manager  
Amerisource Funding | Amerisource Business Capital

**Email:** [dchang@amerisource.us.com](mailto:dchang@amerisource.us.com)

**Tel:** 916.307.1040

**Website:** [www.amerisource.us.com](http://www.amerisource.us.com)  
Follow us on Facebook and LinkedIn