

Success Story: Auburn Manufacturing Inc.

Company Cash Flow Increases With Export Receivables

The Challenge:

Foreign Receivables Restrict Cashflow

When the serious health hazards of asbestos were discovered in the 1970s, products containing asbestos were quickly banned in U.S. workplaces. However, without asbestos, businesses were no longer able to produce fire-resistant materials. As the need for a viable alternative increased, the founders of Auburn Manufacturing Inc. saw an opportunity. They decided to create a small facility dedicated to replacement fire-resistant textiles. Beginning with insulation tape, the new business quickly grew to thousands of products that are now sold in more than 30 countries around the world.

However, despite Auburn Manufacturing's success, the company faced a problem. Even as its export sales grew, Auburn was unable to include these foreign deliverables as accounts receivables for asset-based borrowing. This dangerously impeded its available cash flow, making it difficult to accept large orders or plan for growth.

The Solution:

Flexible Insurance for Small Businesses

Auburn Manufacturing turned to its bankers to discuss potential solutions, and received a recommendation for receivables insurance. However, upon reviewing several private sector options, Auburn found that the yearly premiums were too expensive for the small company. Fortunately, the business then received a flier in the mail promoting a credit insurance program from EXIM. Auburn found that EXIM's pay-as-you-go program structure perfectly suited the company's business model, and has used it ever since.



Mechanic Falls, ME



Canada, Mexico, South and Central America, Australia



Uses Export Credit Insurance



The Result:

Reaching Buyers in Other Markets

By partnering with EXIM and its insurance broker, Meridian Finance Group, Auburn Manufacturing has been able to access the cashflow it needed to expand:

- ✓ Mexico, India, and countries in South and Central America were added to its customer base
- ✓ Nearly 50 jobs are now sustained as a result of the company's increased exporting



"EXIM has helped us build our export business by allowing good customers to buy on payment terms. Such customer service has helped us to develop long-lasting relationships with companies in all parts of the world."

Kathie Leonard, President & CEO of Auburn Manufacturing



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