

Seller & Developer of Child Safety Products

A potential investor hired Lavallee & Associates to review the working capital assets of a company that developed and sold child and toddler safety equipment. The company was significantly expanding its product lines and distribution channels. A cash infusion from this potential investor was requested to help support the future expansion.

During the engagement, Lavallee & Associates met with the controller of the company and reviewed their monthly statements, debt documents, aged accounts receivable and payables reports, various sales reports, purchase reports, inventory reports, royalty agreements and credit insurance policies. Three of six warehouse locations were also visited to determine the housing and condition of inventory.

Lavallee & Associates' report to the potential investor included detailed analyses of sales, accounts receivable, accounts payable, inventory purchases, housing and condition, company debt, credit insurance policies as well as their current cash flow and dilution.

With the assistance of Lavallee & Associates, the potential investor was able to determine the risk involved with investing in this rapidly growing company.

The investor did invest in the company. The company continues to grow its sales and product lines. They have recently moved to a new, larger headquarters and have taken their company public.