

\$8.7 Million Sales Specialty Fastener Manufacturer

A well-established, specialty manufacturer of premium-quality stainless steel and non-ferrous fasteners and cold-formed special parts hired Lavalley & Associates at the suggestion of their secured lender when they began experiencing cash flow and inventory issues due in part to significant fluctuations in the metals markets. The company and its modern 106,000 square foot manufacturing facility has an outstanding reputation as a reliable supplier of high quality products manufactured from difficult-to-work materials with an extensive range of machinery and equipment.

Since 2004, Lavalley & Associates has worked with this client in an effort to return them to profitability and establish positive cash flow. In 2005, the client returned to attractive profitability. With Lavalley & Associates' assistance, the company implemented an enhanced costing system which better allocated actual/total manufacturing costs to the parts being produced. As a result of this process, a decision was made to discontinue a small segment of the business and impose price increases on a range of products where profit margins were unacceptable.

Additionally, the company has experienced great success raising its prices. In most cases, price increases were necessary and justified based on the increase in raw material prices over the past few years and the company's previous failure to pass along these cost increases in a timely manner. The new pricing policy within the company continued to improve its profitability through 2007.

In 2007, Lavalley & Associates assisted the company in refinancing its debt. The company was able to obtain conventional financing for the company's term loan and line of credit at very favorable market rates.

Lavalley & Associates continues to work with this client on a routine basis through monthly review of their operating statements and regular meetings with the management team.