



A short guide to securing the
right financing for your business.



WHITE OAK
COMMERCIAL FINANCE



The business landscape is quickly evolving – your financing needs to keep pace.

Having access to the capital you need, when you need it, can be game-changing. With the right financing in place, companies can free themselves from liquidity constraints and seize opportunities with confidence. However, finding the right partner and funding solution for your business can be daunting in struggling and thriving economies alike.

Helping you find clarity

Are traditional lending resources available? Which loan type is best for your company? Do you require short-term, long-term, or revolving finance? With your unique needs and the various credit products and lenders in the market, finding answers can be a complex and time-consuming task.

But it doesn't have to be. We've created this guide to help you understand the difference between financing options, and find the working capital solutions your business needs to grow.

Tackle each phase of your business **with confidence.**

The right financing solution can help businesses to transition, manage rapid growth, and take advantage of new opportunities.

A business financing solution customized for your unique needs is key to meeting your short and long-term goals, and can save you time and money.

Let's start by reviewing some of the most common reasons companies turn to alternative finance lenders for additional capital.

Expansion



Find new capital to accelerate business growth by launching new products or acquiring new customers.

Rapid Growth



Maintain rapid growth by unlocking the funds needed to hire more people, furnish expanding offices or rent new facilities.

Acquisition



Capitalize on new opportunities by acquiring new businesses.

Turnarounds



Consolidate your debts and other costs to make finances more manageable, creating a more sustainable future.

Balance Sheet Restructuring



Acquire a tailored financing solution that allows you to remain competitive.

Recapitalizations



Access funds needed to stabilize capital structures and set your business on a path of growth.

Choosing the right financial tool for the job.

From increased competition to rapidly changing market demands, businesses are faced with complex challenges. For many companies, securing a financing solution suited to their unique situation can be instrumental in realizing their goals.

Select Lending Options Available	Growth & Acquisition	Cash Flow & Operational Efficiency	Bankruptcy/ Exits
Asset-Based Revolvers and Term Loans Allows companies to access the value tied up in working capital and fixed assets.	X	X	X
Factoring and Invoice Discounting Allows companies to accelerate the payment of trade receivables and obtain credit protection against account debtor default.	X	X	X
FILO, Stretch, and Structured ABL Enables maximum liquidity by enhancing standard advance rates and accessing the capital tied up in IP, trademarks, and other asset classes.	X	X	
Inventory Purchase Facilities Enables companies to source their inventory on better terms than available through traditional supplier credit lines.		X	
Supply Chain Finance Allows businesses to obtain an end-to-end financing solution to fulfill contracts from account debtors.		X	
Structured Sale of Receivables Facilitates the improvement of liquidity ratios at period-end. Monetize trade receivables with a recurring sale of A/R directly or through an SPV.		X	X

Factoring – A closer look.

What is Factoring?

In simple terms, factoring is a financial transaction in which a company buys a debt or invoice from another company, essentially transferring the ownership of specific accounts to another party who then attempts to collect on the debt. This relieves a company of a debt in exchange for a fee while providing them with the working capital they need to continue their operations.

The benefits of Factoring.

Applying for business loans can be a complex and time-consuming process and can take months depending on the lender. In comparison, factoring allows a business to swiftly obtain capital based on future income, allowing businesses to continue operating as usual without having to wait for invoices to be paid.

When is the right time to consider Factoring for your business?

For businesses that have reliable customers, but don't have the time or capital to wait weeks for invoices to be paid, factoring can be a great solution to their working capital needs.



Factoring in action.

The situation: Reducing financing costs

Founded in 2010, StoreBound is a New York-based product innovations company that develops branded housewares and distributes through major retailers including Walmart, QVC and Target. In 2015, StoreBound generated approximately \$13MM in sales, but profitability was elusive due to the high cost of its financing with a competing lender.

Our approach: Speed and creativity

White Oak's experienced Factoring team quickly identified the challenges that StoreBound's existing financing posed to its cash flow and profitability. We then determined the company's unique funding requirements related to its seasonal product development and sales cycle, and constructed a fast and flexible plan that could be quickly delivered to achieve its immediate working capital needs and long-term objectives.

“

We are thankful for White Oak's lasting partnership and reliable funding that has helped us grow with confidence. ”

Evan Dash, CEO, StoreBound

The solution: Full recourse factoring with line increase

White Oak delivered a \$10MM full recourse factoring facility that grew to \$35MM, which reduced StoreBound's financing cost by 40%. The facility included a line of credit, advances and overadvances to cover seasonal cash flow needs and new product development.

StoreBound's annual revenue grew from \$13MM to \$100MM over the next 5 years and resulted in a major investment agreement with global housewares conglomerate, Groupe SEB.

Asset Based Lending — A closer look.

What is Asset Based Lending?

With Asset Based Lending, loans are secured through collateral including inventory, accounts receivables, equipment, property, and even intangible assets such as IP. These loans are often structured as revolving lines of credit, providing businesses with the capital they need to reach their goals on an ongoing basis. Often, companies facing cash flow challenges stemming from rapid growth turn to asset based lending to meet short-term demands.

The benefits of Asset Based Lending.

Asset based lending can be an important tool for companies to fund growth and maintain daily operations. It is more flexible than traditional commercial loans and has lower interest rates than unsecured loans because of the collateral involved.

When is the right time to consider Asset Based Lending for your business?

If your company possesses highly liquid, marketable securities or physical assets of value and has time-sensitive cash flow needs including expansion, refinancing existing debt, M&A, financing raw materials and more.



Asset Based Lending in action.

The situation: Capturing opportunity during uncertain times

Founded in 2010, Direct Source Seafood is a leading importer and wholesaler of high quality sustainable frozen seafood, based in Bellevue, Wash. In this supply-driven business, the company was looking to take advantage of purchasing opportunities and strategic inventory buys that required ready liquidity. Due to COVID-19 pandemic, the balance of their distribution shifted away from the food service industry and heavily onto retail, amplifying their need for immediate capital to meet increased demand.

Our approach:

Flexibility and transparency

As a leader in the frozen seafood industry, Direct Source Seafood had options to work with traditional banks; however, it chose White Oak for our flexibility and capacity to tailor a scalable solution to maximize its earning potential. White Oak recognized the company's immediate needs and provided the company with more liquidity on its working capital assets that increased its purchasing power.

“ White Oak's partnership and ability to see our opportunities in a volatile market has helped us to keep pace with fast-changing demand and continue our company's growth. ”

**Dave Almeda, President & Owner,
Direct Source Seafood**

The solution: Asset-based loan with a line increase

White Oak delivered an initial \$40MM asset-based loan to the company and further exemplified our commitment by extending a \$10MM line increase during the early months of the pandemic. Our unwavering partnership and ability to stand by Direct Source Seafood in an unprecedented environment has allowed them to execute on purchase and sales opportunities with confidence.

Stretch ABL — A closer look.

What is Stretch ABL?

Stretch ABL provides an important mix of funding that allows businesses to take advantage of financing previously reserved for larger companies. Stretch asset-based loans “stretch” to accommodate the financing needs of the borrower by combining senior and junior debt into a single package.

The benefits of Stretch ABL.

The advantages are speed and convenience, as it saves the borrower from having to negotiate with two separate loan providers. On the other hand, the higher risk of a stretch asset-based loan may require a higher blended interest payment.

When is right time to consider Stretch ABL for your business?

If you’re an importer, wholesaler, or manufacturer, you possesses highly liquid, marketable securities or physical assets of value, and your company requires shorter-term financing to cover cash flow gaps.



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Stretch ABL in action.

The situation: Funding growth

Hunt & Sons, a third generation family-owned petroleum distribution company, approached White Oak Commercial Finance to help leverage their assets for cash flow and growth. They were looking to expand, but they had a large amount of capital tied up in machinery, accounts receivable and operating expenses, preventing them from making new acquisitions and reaching their growth targets.

Our approach: Uncover opportunity

As a leading alternative asset manager with industry expertise and scalable solutions, White Oak captured the firm's objectives and assessed its capital structure. Through hands-on due diligence and efficient underwriting, with frequent communications and transparency, we developed a plan that could be reliably delivered.

“ White Oak has been a pleasure to work with, and we're optimistic that [our relationship will expand in the years ahead.](#) ”

Josh Hunt, CEO and Founder, Hunt & Sons, LLC

The solution: Stretch ABL facility realized

White Oak provided Hunt & Sons with a \$75MM stretch asset-based credit facility combining a senior secured loan and a junior loan, as well as, an additional \$6MM in funding. This one-stop solution met the firm's needs and saved time and costs that would have been required to secure a second, subordinate loan from another lender.

We see opportunities where others don't.

At White Oak, we take a hands-on approach to understand your company's short and long-term goals, analyze your assets, capital structure, and cash flow to deliver the right solution.

Our client-first lending model delivers:

- Expert consultation to achieve your unique objectives.
- A wide range of financing structures for any business cycle.
- Value-added service and access to our industry network.

Building lasting relationships is the cornerstone of our business, and we treat your success like our own.



Rethink how your assets can work for you.

With 15 offices globally and over 470 expert advisors, our experienced team and expansive suite of products provide you with creative solutions to complex situations.



For more information, please visit
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