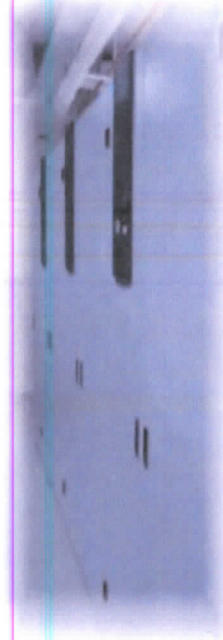


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## **JOBS—Success Stories**

### **Manufacturer of Commercial Air Conditioning Systems**

**T**his south-central Pennsylvania firm began to hemorrhage in 2005 when it lost a government contract of 1 million dollars and suffered a significant loss for the year. The Company's lender moved the loan to its work out department and the firm's owner requested SEWN help.



SEWN negotiated a forbearance agreement with the bank which provided breathing room to restructure the business and find a new lender for the \$3.2 million debt in senior bank debt. Based on SEWN's advice, the Company elected to change to an S Corporation, which allowed the owner to infuse a substantial tax rebate back into the business. With a revised four-year financial forecast prepared by SEWN, the business secured refinancing from a new bank and the eighty-five person company survived and is having its most profitable year.

### **Manufacturer of Truck Transmission Parts**

**T**his south-central Pennsylvania firm suffered a \$300,000 loss in 2004 due to the bankruptcy of a new customer compounded by additional inventory and machinery purchased to service the additional business. The owner struggled to survive through 2005 and contacted SEWN in late 2006. The Company's bank had declared it in technical default and moved the credit to workout due to its failure to meet certain covenants of its loan agreement.

Following SEWN's recommendation, the Company divested some equipment and inventory to improve its cash position. SEWN developed a cash flow model for the Company's comptroller, installed an incremental pricing system and prepared a prospectus for area banks interested in refinancing the \$1.9 million debt. Five banks responded to the solici-

tion and SEWN assisted the owner in the evaluation of the proposals. SEWN has also linked the owner to potential buyers if an exit strategy is desired.

## Architectural Millwork Manufacturer

**A** Central Pennsylvania firm requested SEWN assistance in operations and cost management. Company sales had stagnated and it needed to find new markets to return to profitability and sustain the highly trained workforce of 18. SEWN conducted a resource model workshop for the management to identify achievable cost-saving and marketing opportunities as well as ascertaining the most profitable existing product lines. SEWN assisted the comptroller in implementing a cash management system for the Company. SEWN brought in PENN TAP to conduct an energy audit of the facility and recommend energy conservation options for the owner. Through collaboration with Penn Ventures and MANTEC, SEWN was able to obtain a \$15,000 SBA New Market Operating Assistance Grant for the Company to implement a new marketing initiative including new website development. Company sales have improved and the Company has also begun aggressively reducing its long-term debt (by 30%) since SEWN became engaged.

