

JOBs - Success Highlights

Kuhn's Brothers Lumber – 126 Employees

This Union County lumber company's product line includes rail fencing, mulch, kiln dried and green lumber for domestic and export markets, hardwood and softwood timber, timber management, and log homes. Although the demand for mulch and rail fencing has increased, cash flow is a problem for Kuhn's Brothers due to the bank's restriction of its credit line, the payment terms for the purchase of logs, the decrease in the market for log homes, and the age of the company's receivables. The company needed to price its products more aggressively on larger orders so that it could cover its high fixed costs and sustain its cash flow. Led by Jack Bardol, SEWN Central Turnaround Consultant, SEWN met with the owners and the comptroller, and provided them with a pricing tool and a financial model to forecast Kuhn's Brothers' cash flow. The company has reduced its operating costs substantially in the last quarter through the use of the financial model that SEWN provided. Additionally, with the reduction in operating costs and the financial model, the company's bank may be willing to work with Kuhn's Brothers to restructure its loans.



Pro Tube – 15 Employees

This Franklin County manufacturer of hydraulic tubes and devices experienced declining sales from two of its largest customers. This loss came on the heels of a major expansion of its manufacturing facility, which was then underutilized due to the declining sales.

The company's debt load was restricting its line of credit and its cash flow. SEWN provided a financial restructuring model, and worked with Pro Tube's owners to create a cost estimating tool to more accurately recover the company's cost of manufacturing.

MANTEC assisted with the marketing of Pro Tube's products, including expanding of the company's traditional geographic area, relying on a more targeted marketing approach rather than word of mouth, and exploring the possibility of government contracts. Using the SEWN model, Pro Tube was able to restructure its

loan, increasing its cash flow by \$3000.00 per month, and even posted a positive cash flow recently for the first time in years. With MANTEC's assistance, the targeted marketing campaign has increased sales, and Pro Tube now works as a sub-contractor on several



government contracts. SEWN also provided Pro Tube with a reliable financial forecasting model so that it can accurately project its costs and remain profitable for years to come.

JOBs - Success Highlights

AMMAC – 25 Employees

This York County machine shop had acquired a Michigan company, and was struggling to merge the Michigan and Pennsylvania operations in York, where it hoped to meet its manufacturing needs at a cost effective site. In addition to the expense of this transition, AMMAC lost a significant contract to a local motorcycle manufacturer, further restricting its cash flow and causing rolling layoffs. SEWN worked with the company's bank to restructure its debt, providing \$125,000 of additional cash flow annually. The productivity improvements enhanced AMMAC's bidding, and the company recently secured a large contract from an off-road vehicle manufacturer. SEWN also provided AMMAC with a reliable financial forecasting model so that it can accurately project its costs in the future.

