

# Financing For A Rapidly Growing CPG Manufacturer

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## The Need:

Our client is a private label consumer packaged goods (CPG) manufacturer focusing on home care products with R&D, procurement, compounding and their ability to do custom production runs for clients, positions them as a unique service provider in this sector. With a very experienced management team in place (former senior executive of global food & beverage conglomerate), strong QC and service levels, they have been recognized as "Supplier of the Year" by a major retailer.

While they are experiencing tremendous growth, in particular from a large US-based retailer, an issue they faced in the short run was one of customer concentration. A high percentage of their revenues were being generated by just a few customers and traditional lenders were concerned about concentration risk.

They came to us to source a non-traditional working capital solution that could provide them with quick and easy access to financing for their ongoing working capital needs, and a solution that could seamlessly increase as their accounts receivable and inventory increased to support growth.

## The Solution:

Our client needed a flexible and scalable working capital solution from a non-traditional lender that they could use as a bridge while they focused on diversifying their customer base.

The solution we sourced had two components:

- \$1M accounts receivable revolving financing facility at 1.75% pm.
- \$250,000, 1-year bridge term loan at 16% to fund some equipment purchases.

This solution enabled them to grow their business with minimal disruption while positioning them to be able to graduate to a traditional bank.

## The End Result:

This solution gave our client the working capital required to meet their strong sales growth while they concurrently diversified their customer base to de-risk the business. And while it is a more expensive debt solution than a traditional bank, the current shareholders did not have to increase their investment to fund the equipment and working capital needed to fund the dramatic growth.

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At Isaacs Advisory, we have extensive experience in advising, structuring, and sourcing a wide range of traditional and non-traditional financing solutions from \$100K to \$1 Million for our clients.

For more information on raising financing solutions for a start-up, early stage, growth, in-transition or business in distress, please contact Adrian Isaacs at (416) 835-4511 or [aisaacs@isaacsadvisory.ca](mailto:aisaacs@isaacsadvisory.ca).