

## **Xport Manager®: An ideal solution to finance your foreign sales**

Ralph Clumeck

Small businesses that sell goods internationally and do not want to wait months for the revenue will often look to their banks for financing to maintain cash flow. Given tough economic times however, banks have been reluctant to finance export sales, making it difficult for small companies to grow their international business.

One specialty lender has come up with what it calls a less cumbersome export finance solution for small business: **Xport Manager®**. This service involves financing receivables from exporters and collecting the money directly from the foreign purchasers. This frees its exporter clients to concentrate on producing and selling goods and services without tying up lines of credit. Additionally, it provides banks a referral service that allows them to remain competitive.

Through **Xport Manager®**, the service it introduced more than two years ago, CFS International Capital Corporation in Irvine, California provides financing utilizing foreign accounts receivable as a method of funding business growth. One of the principal challenges of doing business internationally is the risk of non-payment. With Xport Manager, CFS combines export credit insurance provided by the Export-Import Bank of the United States with its export financing to provide small-business exporters with an easy-to-use solution to finance export sales. The entire process is simple and straight forward. Once approved, CFS will provide its client with a line of credit used exclusively to finance foreign receivables. When a company needs to finance an export sale, it sends CFS a financing request along with supporting transaction documents. CFS will credit the loan amount directly to a bank of the client's choice within one business day of receiving the request. When the invoice becomes due, the foreign customer will make payment directly to CFS, who in turn which repays the customer's loan. This financing allows a company to expand its available credit without interfering with credit made available by its existing lender.

Washington is the fourth largest exporting state after Texas, California, and New York. However, most companies find it challenging to grow their international sales without export financing. In today's global economy, it takes more than a low selling price to be competitive. Just as companies require credit terms from suppliers, foreign customers need open account terms to finance their business operations.

"Commercial banks will typically use their customers' receivables as collateral for loans, but most will do this only for customers doing business within the United States, a market that is very familiar to them," notes Mr. Tim Schipke of the Export Finance Assistance Center. "They shy away from doing this type of business with exporters, because they do not have the expertise to deal with the riskier international business." International trade finance business as a stand-alone business is perceived by many banks as specialized and more risky – generally offered only as part of a bigger relationship with the bank. If a bank can refer the specialized export financing to CFS, it will continue to offer its broad array of services to clients without risking the chance of losing a client to competitors.

This financing does not compete with export financing provided by local banks, instead CFS hopes exporters will choose its service when the more traditional export financing from commercial banks is not available.

"If they're able to get a hold of this financing expertise from their local bank, then they should grab it to increase their international business," Mr. Schipke said. "Exporters need to do everything they can, especially in harder times like these to grow their international sales."

*Ralph Clumeck is the president of CFS International. He is a veteran international banker with more than 30 years of international banking and trade finance experience. Prior to forming CFS, Mr. Clumeck spent 18 years as a senior executive with a major bank in California, serving in various international capacities managing the bank's branches in the Philippines, Thailand, Hong Kong, Singapore. He also held various regional management positions overseeing banking operations in Japan, South Korea, Malaysia and Indonesia. He may be reached at [rclumeck@cfsintl.com](mailto:rclumeck@cfsintl.com).*

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