

DON CLARKE SEMINARS

INTRODUCTION TO ASSET BASED LENDING SEMINAR COURSE OUTLINE



1641 N. 71st Terrace | Hollywood, Florida 33024 ■ Office: (954) 962-0099 ■ Fax: (954) 962-4132
Toll Free: 1 (800) 861-5711 | Email: d.clarke@ablc.net | corain.cash@ablc.net
Visit Us Online: www.ablc.net

INTRODUCTION TO ASSET BASED LENDING SEMINAR

Length: 2 day Seminar

- Day 1 & 2: 9:00am – 4:00pm | Day 3: 9:00am – 12:00pm

Seminar Schedule:

- Class Begins: 9:00am | Class Ends: 4:00pm
- Day 1 & 2 Breaks: (15 min) -10:30am & 2:30pm | Lunch: (1 hr.) -12:00pm
- Day 3 Break: (15 min) -10:30am

Course Overview:

Introduction to Asset Based Lending is an in-depth presentation on the dynamics of Asset Based Lending, how it works and how it is structured.

Course Objective:

Provide the participants with a comprehensive knowledge of Asset Based Lending, how to structure lending parameters; minimizing risks and maximizing profitability.

COURSE OUTLINE:

- 1) Rational For An Asset Based Loan (“ABL”)
- 2) ABL, A Brief Historical Overview
- 3) Understanding the Cash Conversion Cycle and its Role In ABL.
- 4) Establishing an ABL Area.
- 5) Understanding the Business and the Associated Risks on Collateral
- 6) The Economics of ABL.

7) Dominion of Cash Issues

8) Accounts Receivable as Collateral

- a. Aging Analysis
- b. How Are Receivables Aged?
- c. Invoice Date vs. Due Date
 - i. *Impact on Eligibility Parameters*
- d. Aging Codes
 - i. *What They Mean*
 - ii. *Impact on Eligibility*
- e. Detail Aging vs. Summary Agings
- f. Spread Analysis
 - i. *Analyzing the Current Aging using Comparables*
- g. Matching Turnover
 - i. *Using Receivable Statistics Compared to Spread Movement*
- h. Credit Extension and Collection Procedures
- i. Analyzing Receivable Concentration and Understanding the Customer Base.
- j. Analyzing Delinquent Accounts
- k. Ineligibility Issues
 - i. *What, How Much and Why*
- l. Test of Authenticity
 - i. *Shipping*
 - ii. *Verifications*

iii. Credit Memos

iv. Subsequent Payments

- m. What is Dilution?
- n. Advance Rates Consideration
- o. Other Issues
 - i. Cash Control Mechanisms*
 - ii. Reporting Considerations*

9) Inventory As Collateral

- a. Initial Lending Considerations
- b. Condition and Existence Questions
 - i. Aging of Inventory*
 - ii. Purchase vs. Sales*
 - iii. Historical CPA Book to Physical Adjustments*
 - iv. Treatment of Returns*
 - v. Handling of Slow and Obsolete Inventory*
 - vi. Calculating Turnover the ABL Way*
- c. Tour of the Facility
- d. Recordkeeping Systems
- e. Classification of Inventory
 - i. Raw Materials/ Work In Progress/ Finished Goods*
 - ii. In - Transits*
- f. Tests of Authenticity
- g. Ineligible Inventory

- h. Insurance
 - i. Advance Rate Consideration
- 10) Reporting Methodologies
 - 11) Case Studies