

DON CLARKE SEMINARS

INVENTORY 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

INVENTORY LENDING SEMINAR

Length: 2 day Seminar

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

Seminar Schedule:

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

Course Overview:

A full review of inventory as pledged collateral in the asset based lending entrée.

Course Objective:

The students will learn how to properly analyze and assess inventory as collateral so as to quantify risk and establish proper lending parameters.

COURSE OUTLINE:

1) Inventory Considerations

- a. Inventory characteristics
- b. Storage
- c. Mix
- d. Valuation
- e. Warranties
- f. Returns
- g. Agreements with Suppliers
- h. Liens
- i. Facilities

j. Insurance

2) Analyzing Inventory

a. Inventory Composition

- i. Raw Materials, Work-in-Process, Finished Goods*
- ii. Fast-moving, Slow-moving, Obsolete, Scrap*
- iii. Customized, Standardized, Brand Names*
- iv. Commodities, Warehouse/Distributor Parts, Manufacturing, High Tech/Fashion*

b. Client Accounting Systems

- i. Specific ID*
- ii. Average Cost*
- iii. FIFO/LIFO*

c. Inventory Performance in Liquidation

d. Ineligibles

e. Testing

- i. Existence*
- ii. Ownership*
- iii. Quantity*
- iv. Quality*
- v. Value*

f. Turnover

g. Additional Costing Systems

i. Gross Profit

ii. Retail

h. Appraisals

i. Reserves

j. Advance Rates

3) Monitoring Inventory

a. Financial Statements

b. Sales

c. Purchases

d. Inventory On-hand

e. Red Flags

i. Changes in Supplier and Customer Relationships

ii. Backlogs

iii. Changes in Market Conditions

iv. Changes in Gross Margin

v. Increased Discounts

4) Restructuring

a. Deteriorating Scenarios

b. Restructuring Methods

i. Increase Advance Rate

ii. Advance on Other Assets

c. Liquidations