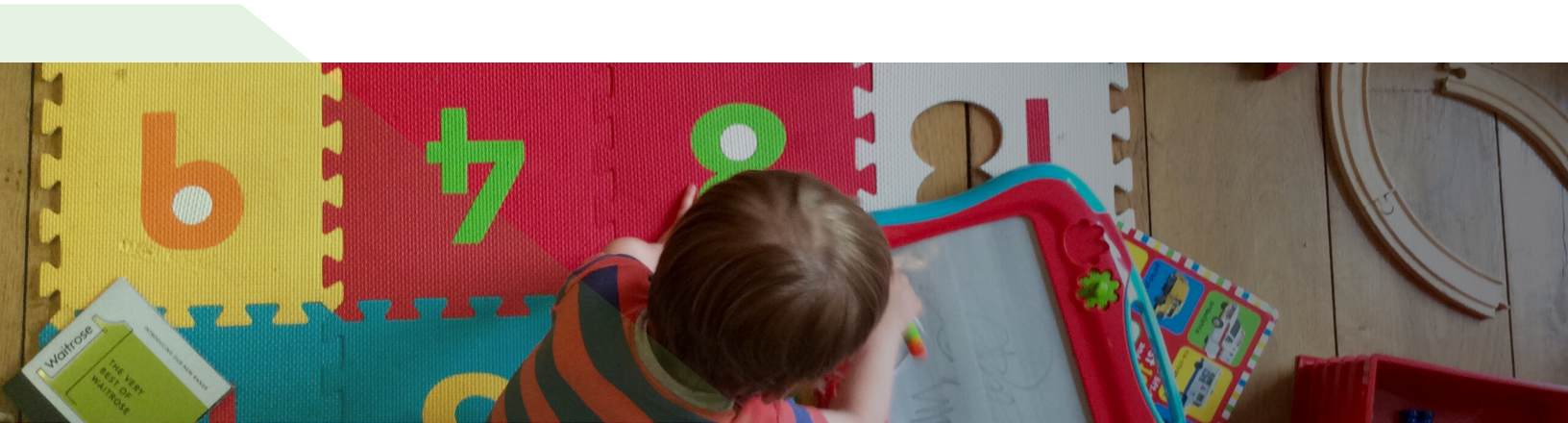


Awareness, understanding, active communication with TAB helps Kids Preferred prosper



Growth is a vital component of any business's long-term strategy. However, expanding operations is never as simple as deciding to hire more staff, purchase more inventory or sell to more clients. Development means new challenges, unexpected obstacles and plenty of complicated problems to solve.

Children's toy manufacturer and distributor Kids Preferred partnered with TAB Bank for the financial assistance that's so often necessary when an organization grows, especially at a rapid pace. Over the four years of the partnership, Kids Preferred found a ready, willing and able lender

that doesn't just provide funds but helps businesses find the best way forward. Bill McHale, Kids Preferred COO/CFO, called TAB Bank an integral part of the company's growth.

THE SITUATION

Kids Preferred, which sells to big box retailers, specialty stores and large online providers, experienced an incredible degree of development between 2011 and 2016, realizing a 300 percent rate of growth. However, the company also had to address inventory management and reporting issues, as well as improve other processes to realize its full potential.

To ensure financial stabilization and continued growth, Kids Preferred turned to TAB Bank as a reliable partner. Although there were areas that needed work to become as efficient

and effective as possible, TAB Bank recognized the current collateral and development potential of Kids Preferred and quickly started the relationship.

THE APPROACH

“They recognize that it’s a partnership,” McHale said of his many interactions with TAB since joining Kids Preferred in January 2016.

That type of relationship requires additional work on both sides to be successful, but the results can’t be ignored. Closely working with Kids Preferred, TAB Bank is consistently responsive, engaged and involved. McHale said same-day responses are the rule, not an exception, and everyone at TAB is regularly available to discuss needs, plans and anticipated concerns and opportunities. That extends all the way to Curt Queyrouze, President of TAB Bank.

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KIDS PREFERRED COO/CFD

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With effective lending tuned to the highly seasonal nature of Kids Preferred’s operations and valuable advice for dealing with complicated situations, like the recent bankruptcy of a major customer and its effects on finances, the relationship is valuable on a variety of levels. Kids Preferred’s role can’t be overlooked either: McHale and many others from the company regularly engage in open, honest and proactive discussion with TAB Bank about opportunities, challenges and growth, crafting the best responses possible and reinforcing an already strong relationship.

THE BENEFITS

The financial flexibility offered by TAB Bank has led to a continued positive trajectory for Kids Preferred. Inventory levels have been reduced by 45 percent over the last 2 years, with reporting and related management tasks also improving significantly. The financing TAB Bank provides means delivery, purchasing and inventory aren’t negatively affected, even if a short-term cash flow issue arises.

“From a cash standpoint, in the past, we ate what we killed. That’s going to change in 2018,” McHale said, because TAB Bank provides Kids Preferred with the opportunity to grow, change and prosper.