

The Unsung Value of Effective Asset Management

ebook



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> Introduction

There's no doubt that the businesses you work with have some kind of assets available to them, from inventory to unpaid accounts receivable invoices. On a very basic level, asset management is a crucial consideration for all companies. They need to properly document, protect and act on, when appropriate, these assets to ensure their business keeps running smoothly.


However, there's another important benefit to strong asset management that not all business owners may be aware of. With good oversight, companies are more likely to get an approval and enjoy a smoother process when applying for asset-based lending.

Consider sharing this practical advice with your clients and letting them know about asset-based lending from TAB Bank.

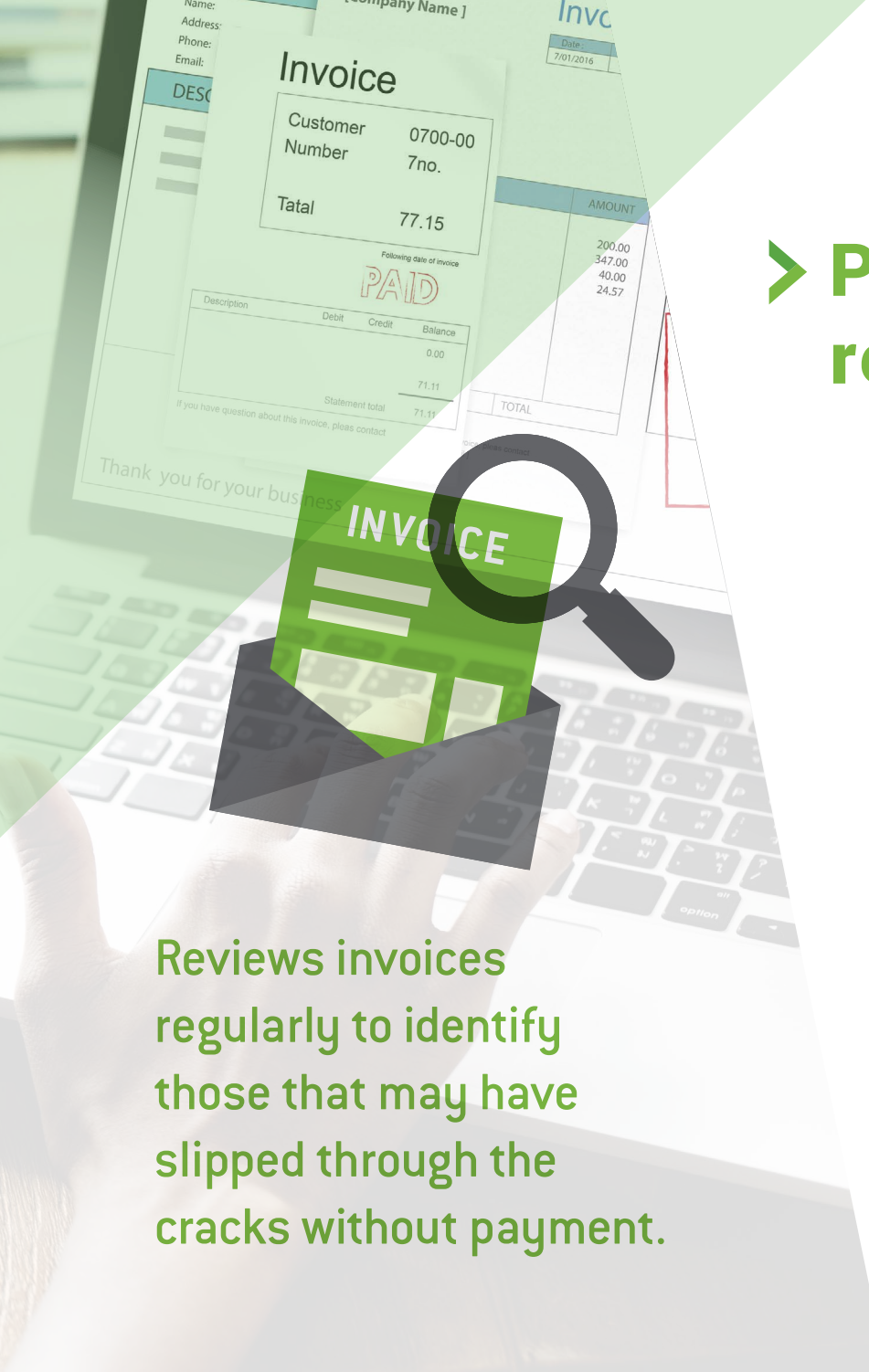
➤ Effective management of inventory

Inventory is a common option for asset-based lending, since it often has a clear value and is kept in good condition by businesses. Of course, companies have to do their part to keep this asset safe. Some best practices to share with your clients include:

- ▶ *Using a reliable system, whether digital or otherwise, to track inventory and minimize losses.*
- ▶ *Keeping the warehouse or storage facility physically secure with strong locks on doors, cages for high-value items, security guards, alarm systems, and other features as necessary.*
- ▶ *Using temperature and moisture controls, if needed, to maintain an optimal environment for inventory.*
- ▶ *Developing and following guidelines for safely and efficiently receiving, stocking and retrieving inventory.*
- ▶ *Inspecting inventory regularly to identify potential issues, from environmental damage to staff not following guidelines.*



Use a reliable system, whether digital or otherwise, to track inventory and minimize losses.



Reviews invoices regularly to identify those that may have slipped through the cracks without payment.

➤ Proper accounts receivable oversight

Accounts receivable is another nearly universal holding that many companies may decide to use as collateral for an asset-based loan. When it comes to these unpaid invoices, best practices for keeping them accurate, current and actionable include:

- ▶ *Following industry standards for repayment timelines, but making sure clients understand payment is expected at that time.*
- ▶ *Regular reviews of invoices to identify those that may have slipped through the cracks without payment. This is especially important when companies have a high volume of invoices arriving on a regular basis.*
- ▶ *Developing a standard process for reaching out to clients with overdue invoices.*
- ▶ *Discussing expectations and avenues for resolution with customers at the beginning of a relationship to ensure everyone involved is clear on payment timelines.*

➤ The value of well-managed assets

Beyond the direct benefits of keeping assets safe, secure, orderly and actionable, there's another important consideration: Whether those holdings can easily be used as collateral for asset-based lending.

The condition of an asset has a direct influence on its ability to fill a crucial role in this type of lending: Securing the funds extended to the business from the lender. Financial institutions review and assess the condition of assets offered as collateral to make sure they provide a value in line with the loan's.

Businesses that have strong control over their assets, whether it's keeping inventory physically secure or keeping invoices organized and easily verified, have a much more manageable and predictable path toward securing an asset-based loan.



Financial institutions review and assess the condition of assets offered as collateral to make sure they provide a value in line with the loan's.



> The TAB Bank difference

There are plenty of **asset-based lending** providers currently operating in the marketplace, but few offer the potent mix of service, support and interest. When your clients partner with TAB Bank for a lending opportunity, they don't just enter into a financial agreement. Our strategy for business lending starts with a dedicated relationship manager for each account, who will help your clients devise the best possible approach to lending while taking their company, industry and all other important considerations into account.

To learn more,
get in touch
with us today!



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