

# Auctioning Yields Better Financing Rate; Staves off Cash Crisis

Challenges	Solutions	Results
<ul style="list-style-type: none"><li>• An unexpected change in payment date put cash needed for holiday payroll at risk</li><li>• Small company without access to “large company” financial resources</li></ul>	<ul style="list-style-type: none"><li>• Engaged Ariba Receivables Financing to auction receivables for cash<ul style="list-style-type: none"><li>• Fair and diligent application process</li></ul></li><li>• Self-initiated process when cash needs arise<ul style="list-style-type: none"><li>• Able to dictate auction time frames and acceptable discounts</li><li>• Flexibility to manage cash as payment terms stretch to net 45, 60, or more</li><li>• Able to avoid dependency on bank line of credit</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Prevailing rates were less than half versus alternatives (example: factoring rates of 36 to 42 percent APR at the time)</li><li>• Payment within a day after auction closure</li><li>• Trustworthy solution with little risk and increased control</li></ul>

Company  
Smedberg Machine Corporation

Profile  
Supplier of equipment and solutions to improve metal stamping production

Ariba Commerce Cloud Features  
Ariba receivables financing

**“There are many suppliers who are in the same jam we were in; they’ve had nowhere to turn and no trusted source to help them with cash flow. And with all the drastic economic changes going on—which will continue happening in this industry—now there’s a place to go where you can feel comfortable, especially if you’re familiar with Ariba.”** Ken Smedberg, President, Smedberg Machine Corporation

