

When the flurry of purchase orders began coming in from Club Monaco U.S.A., 49th Apparel Inc. had no doubts about its ability to meet the increased demand. But finding the capital to purchase the raw materials was another matter. Encouraged by its bank, the

Sales south of 49th parallel

All sewn up for 49th Apparel

leather garment maker looked to the Canadian Commercial Corporation (CCC). With the Progress Payment Program (PPP) in place to take care of its temporary financing needs, the Winnipeg manufacturer's beautiful leather garments were soon making their way across the 49th parallel.

Located on the outskirts of the Winnipeg Garment District, 49th Apparel was established in 1995 but has a history dating back to 1952, when the father of the current president founded Winnipeg Leather Goods Manufacturing Ltd.

The family-run business, with 20 employees, manufactures and imports all types of men's and ladies' high-end

leather apparel, which it sells to major and independent retailers and corporate customers in Canada and the United States. The company has been dealing with Club Monaco Corporation for many years, supplying the trendy clothing retailer with "private-label" products made to its exact specifications.

Orders on the rise

49th Apparel president Mark Yukelis explains the sudden influx of orders. "The fashion business is cyclical. At the moment we're on an upswing on the leather cycle. Club Monaco is very aware of the trend and wants to offer its customers better leathers. So its order with us grew significantly."

As far as revenue generation is concerned, Yukelis explains, his business is cyclical too. "Our sales are predominantly generated in the fall and winter months. Sales between August and December account for 75% of our revenues."

With Club Monaco's increased orders arriving in spring 2000, and 49th Apparel's existing operating line with the Royal Bank not able to meet the cash requirements, the two cycles collided to create a temporary cash-flow problem.

PPP mends gap

"When Club Monaco came along with all these orders, it became apparent that we were in no way going to be able to manage unless we got some extra financing," explains Yukelis, whose Account Manager of Business Banking, Robert Dryden, recommended that he approach CCC.

"It was a great case for Dryden to bring to us," says CCC's PPP Program Manager Sue Elgar. "He was taking

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care of his client by referring them to the PPP."

In July 2000, Elgar set up a revolving PPP valued at \$350,000, which allowed 49th Apparel to finance 90% of Club Monaco's purchase orders. "CCC put all this in place effortlessly and painlessly," says a pleased Yukelis. "And Sue Elgar was more than wonderful; I'm a fan."

Improved business position

The benefits to the company, which had the PPP line of credit paid down within five months, extend beyond its ability to fulfil one set of purchase orders. "The assistance we received from the PPP has significantly improved our business position," explains Yukelis, whose company had less than stellar sales in the years ending April 1999 and April 2000. "This year, thanks to CCC, we're making much more of a comeback. We've almost doubled our business in two years."

It's clear that when it comes to sewing fine leather clothing, 49th Apparel has the expertise. Thanks to CCC, the company now also has its financial needs all sewn up.

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When you're ready to pursue these opportunities, the Canadian Commercial Corporation (www.ccc.ca) can assist you with the interpretation of the U.S. procurement system or ensure that as a Canadian company, you are eligible to participate.