



**ince its founding by a group of Canadian entrepreneurs, Trade Finance Solutions, Inc (TFS) has been on a healthy growth trajectory and is well positioned for more of the same. The firm (still privately held) provides factoring, purchase order finance, asset-based lending against receivables, and supply chain finance, both domestically and internationally.**

“Our ownership group has a pedigree in international business and trade,” explained Bruce Sim, the firm’s global head of new business, “and set out to create a finance company that would serve the needs of companies looking to grow locally or expand into international markets.” Based in Toronto, the firm has its principal operating office in Miami, and representation in major markets across the U.S. and Canada.

Aside from healthcare, trucking and construction, TFS has a broad appetite for working capital finance and, as noted, embraces cross-border trade. “About half of our existing accounts have ‘one leg’ of the underlying trade outside of the U.S. or Canada,” said Sim. “We have a good deal of experience in Mexico, Central and South America, Europe and Asia. At last count, we’d completed financing for clients in over 70 countries. We love domestic business and will finance it all day long,” Sim added, “but we’ve staked out a meaningful

market niche with our global experience and capability.”

Turning to overseas markets, TFS sees continued growth ahead despite some significant headwinds. “We had expected to see the strength of the U.S. dollar start to dampen down exports last year, but most of our clients’ revenues have proven very resilient. We see that holding up,” Sim said. “There continues to be considerable worldwide demand for U.S.- and Canadian-made products and services, recognized the world over for high quality and value, even at today’s rates of exchange.” The firm recently completed negotiations with a major exporter of U.S. foodstuffs. Sim noted that the exporter was able to maintain pricing power, owing to the United States’ reputation for safety and soundness.

On another front, Sim acknowledged that TFS benefitted in 2015 from the difficulties and limitations imposed on Ex-Im bank in the U.S. by Washington. “We’re happy to see Ex-Im getting back on its feet”, Sim explained, “It’s a government-sponsored program that really works. We’re united by the common goal of promoting US exports, so we welcome its return.” Still, 2015 offered TFS the opportunity to showcase itself as an alternative solution to traditional EX-IM financing, and “we’re very pleased at the momentum this generated in client acquisition,” Sim added.

Beyond learning to serve clients effectively in international markets, TFS is also making a priority of “partnering” with other lenders, and working closely with other CFA members in the year ahead. The firm is comfortable factoring single-account debtors and actively promotes itself as a partner and effective solution for a lender looking to smooth out a large customer concentration imbedded in an otherwise attractive bank credit. At the same time, TFS can also help other finance companies and banks win prospective clients by providing financing against a prospect’s international operations. At other times, the firm creates additional availability and

borrowing capacity for an existing account in a bank’s portfolio by monetizing foreign accounts through a factoring or asset-based lending arrangement.

TFS also works in concert with banks and other finance companies when it comes to providing supply chain financing (supplier credit). Under this type of financing, TFS purchases goods from a supplier on behalf of a client, and then sells the goods back to the client on extended payment terms. The resulting arrangement helps credit-worthy clients optimize their trade-credit; relieving pressure on bank borrowings, freeing up working capital and creating additional borrowing capacity.

“As members of CFA, we share a responsibility to promote access to capital for middle-market companies across the globe,” Sim said, “and by lending in concert with other institutions, or supporting a company behind the scenes with supplier credit, we’re able to deliver effective domestic and international solutions without disrupting longstanding banking relationships. In doing so, we also help banks and finance companies improve the risk profile of their credits by playing to our relative strengths as a factor of high debtor concentrations, and a lender against foreign receivables.”

Looking ahead, Sim sees plenty of growth opportunities ahead for TFS in 2016. “We’ve invested significantly in building out a national sales team, and we’re still looking for some senior business development executives in key markets,” Bruce explained. “Being able to support clients and prospects both domestically and internationally is a strong competitive advantage today. But we also carry a responsibility to put the very best people possible in front of our clients and prospects. We are available locally to help clients globally.”

“At TFS,” Sim concluded, “we think the world of business.”

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