

“Credit Still Tight, Despite Some Improvements” (Featuring Mike Cost, President of Brightstar U.S.)

TWICE: What's the credit situation look like? Any improvements?

Tim Coakley, DBL: DBL's credit to our customers has not been affected. In fact, when most distributors were reducing credit to their customers, DBL extended an additional \$58.5 million to our existing customers, offering them the buying power to purchase a larger product assortment and a greater inventory.

Mike Cost, Brightstar: Credit continues to be a challenge given today's current economic condition with no indication of near-term improvement.

Our ability to extend credit to new customers and increase credit to our existing customer base requires a new level of financial rigor to minimize balance sheet risk.

Jonathan Elster, SED: We have not changed the way we provide credit. We continue to work closely with our customers to find the best financing options to meet their needs.

Every customer is assigned not only a sales representative, but also a credit manager whose No. 1 job is to ensure that customers are able to do the business they need to succeed.

Steve Honig, Volutone: From manufacturers to distributors it's still good. From integrator to distributor it has tightened up. We can no longer extend terms to those that do not pay as agreed.

Cash flow is the key for survival. [There have been improvements], our integrators have recognized the importance to stay current with the distributors they rely on.

Ray Navarette, ArchBrook Laguna: Good credit is more important than ever. Manufacturers, distributors and retailers are under the same microscope.

Those who truly manage inventory, sales and receivables as part of their essential systems will consistently outperform in this economy vs. those whose systems can't provide them with the data necessary to manage in this dynamic market.

Brett Neiderman, Edge: The credit situation is becoming increasingly more challenging. It's extremely important to

carefully manage payables and receivables, taking discounts and deductions wherever possible.

John Soumbasakis, AVAD: Credit management has been a critical element to keeping our dealers in stock. Using a distributor with same or next-day access to products in this business environment is critical to maximizing your cash flow, having the brands and models you need. It offers the tool you need to operate your business with decreased liquidity.

We continue to provide credit facilities to our customers, and our business continues to see similar proportions of customers who choose from our credit options.

Fred Towns, New Age: Credit continues to be challenging for the small- to midsized independent retailers. Banks have remained conservative and distributors like New Age need to keep lines of communications open to make sure customers are getting the terms they require to effectively grow their business.