





# INVENTORY & BANKS ARE COSTING YOU MONEY

It is a simple fact that products sitting in storage hold large sums of money captive. That is capital that could be allocated elsewhere in your business. Plus, inventory continues to **incur costs** through inbound transportation and storage/handling fees.

Traditional loans and **asset-based lines of credit** seem like the answer but are expensive and complicated because they:

- \$ Require down payments and low advance rates
- \$ Often require personal guarantees
- \$ Lack flexibility (raising or lowering the line can be costly)
- \$ Come with a host of fees
- \$ Require complicated monthly reports
- \$ Are calculated using a compounded interest rate

When you tally all the fees and figure in the **low advance rate**, the interest rate your business is actually paying for that line of credit is **much higher than it appears** on the surface.



## **THE WOW SOLUTION COMPETITIVE AND EASY**

The WOW COMMODITY PURCHASE PROGRAM™ not only **beats a bank's** rate but is much more user-friendly. It is designed with advantages a **bank just can't match.**

- Purchase 100% of products value
- One-year commitment
- Ability to flex up or down with NO additional fees
- Faster, easier approval
- Simple, once-a-year reporting
- No monthly payments

# THE WOW SOLUTION GETS BETTER...

WOW has expanded its WOW COMMODITY PURCHASE PROGRAM beyond our own facilities to help customers further **reduce supply chain costs**. Now, we will purchase inventory and store it in locations that make sense to your business, while still deferring all inbound transportation and storage/handling fees until the product ships.

Knowing that you have more important tasks to accomplish, **WOW will take the lead** in selecting and certifying a warehouse strategically located in a market that offers a competitive advantage. Through our Managed Warehouse Service, we partnered with more than 90 warehouses across the country, and our network is continuously growing.

# GET MORE SPEND LESS...

In today's world, business as usual doesn't work. We are all expected to *do more with less*. The WOW COMMODITY PURCHASE PROGRAM delivers ultra-competitive rates, while providing a *simple solution* that *costs less* when compared to banking institutions.

	WOW	BANK
Advance rate	100%	60%
Required equity <i>(% of inventory)</i>	0%	40%
Misc. costs/fees	None	Many
Personal guarantee	Not required	Often required
Approval process	Days	Months
Term	1-year general	Multi-year
Monthly payments	No	Yes
Interest rate	Simple	Compounded
Reports	Once-a-year	Monthly <i>(required)</i>
Line of credit	Flex up & down <i>(no additional fees)</i>	Restrictions <i>(plus additional fees)</i>
Down payment	None	Required

## WOW COMMODITY PURCHASE PROGRAM Responsibility Chart

WOW's essential duties:	Customer's essential duties:
Purchase commodity from customer.	Enter into a Commodity Purchase Agreement with WOW.
Store, or direct the commodity to be stored, according to the specifications provided by customer.	Transfer commodity with clear title to WOW.
Transfer the commodity to customer when customer requests.	Establish commodity storage specifications and communicate those to WOW.
If commodity is stored in a WOW warehouse, utilize a standard operating procedure (i.e., verify quantity and visually inspect packaging) when commodity is received or shipped.	Purchase all commodities when required.
Grant an exclusive right to customer to repurchase the commodity.	Conduct all testing and commodity quality verification and retain all responsibility for commodity quality and related specifications.
Guarantee clean title when commodity is sold back to customer.	Pay all fees arising from the program.
Insure the commodity for losses such as fire and storm.	Cooperate with WOW to grant a first priority perfected security interest in the commodity.
If required, commit a minimum amount of commodity purchase dollars to customer's particular program.	Provide requested financial information.
What WOW will NOT do:	What customer can NOT do:
Sell the commodity to any other party than the customer who sold it to WOW unless directed to do so by customer.	Refuse or fail to repurchase. The obligation to repurchase is irrevocable.
Warranty the planning, specifications, verification, quality, production, and manufacturing fitness for a particular purpose or merchantability of the commodity.	Transfer the right to purchase the commodity to a third party. The obligation to repurchase the commodity is not assignable.



$$C + E = P$$

Each WOW employee is motivated to pursue exceptional **Customer Service** (C) and improve **Operational Efficiencies** (E). These elements result in **Profitability** (P) that is sustainable.



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