

Credit Committee Questions

The WOW Logistics Credit Committee takes the lead in reviewing credit applications, and considers a variety of factors in establishing credit terms. Among the questions the committee asks during the review process are:

- Does the customer have the cash flow to cover this project?
- If cash flow is inadequate, do they have forecasted growth to meet the need?
- What is the trend of retained earnings?
- What do the key financial ratios look like, and how are they trending?
- What are the credit terms being requested?
- Do they have a line of credit and how is it utilized?
- Do they have owner or related party debt?
- Is it necessary to mitigate risk, and which method should be used?
 - Personal guarantee
 - Cash on Delivery terms
 - Letter of Credit
 - Deposit
- Is the company involved in any lawsuits?
- Have there been any recent mergers, acquisitions or turnover in key personnel?

