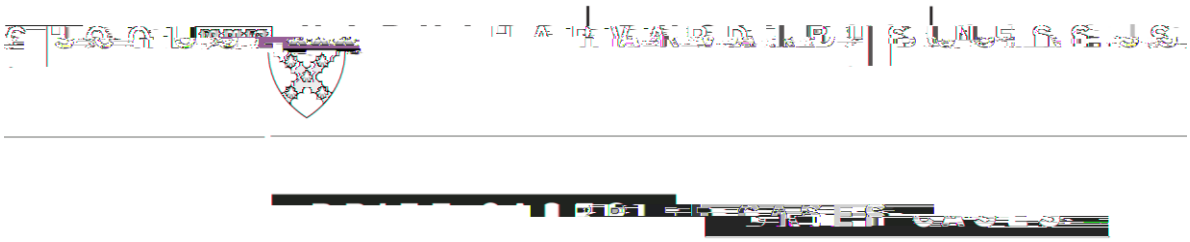
Classic Fixtures & Hardware Company is a nationally-known manufacturer and distributor of kitchen and bathroom fixtures and trim, as well as lock sets and hardware for doors and windows. The company is privately held and has limited access to capital markets, so it depends on a loan facility with Southwest National Bank to finance its seasonal working capital needs. Level production and seasonal sales result in higher inventory levels and loan balances in the first half of the year and declining inventory and loan balances in the second half of the year. In 2008, Classic's loan balances have grown beyond forecasted amounts, and its CFO believes that Classic will likely be unable to pay off the loan balance before the end of the year. The CFO and a senior loan officer from Southwest have scheduled a meeting in order to determine both the reasons for this problem and what Classic might do to turn itself around.

-
-

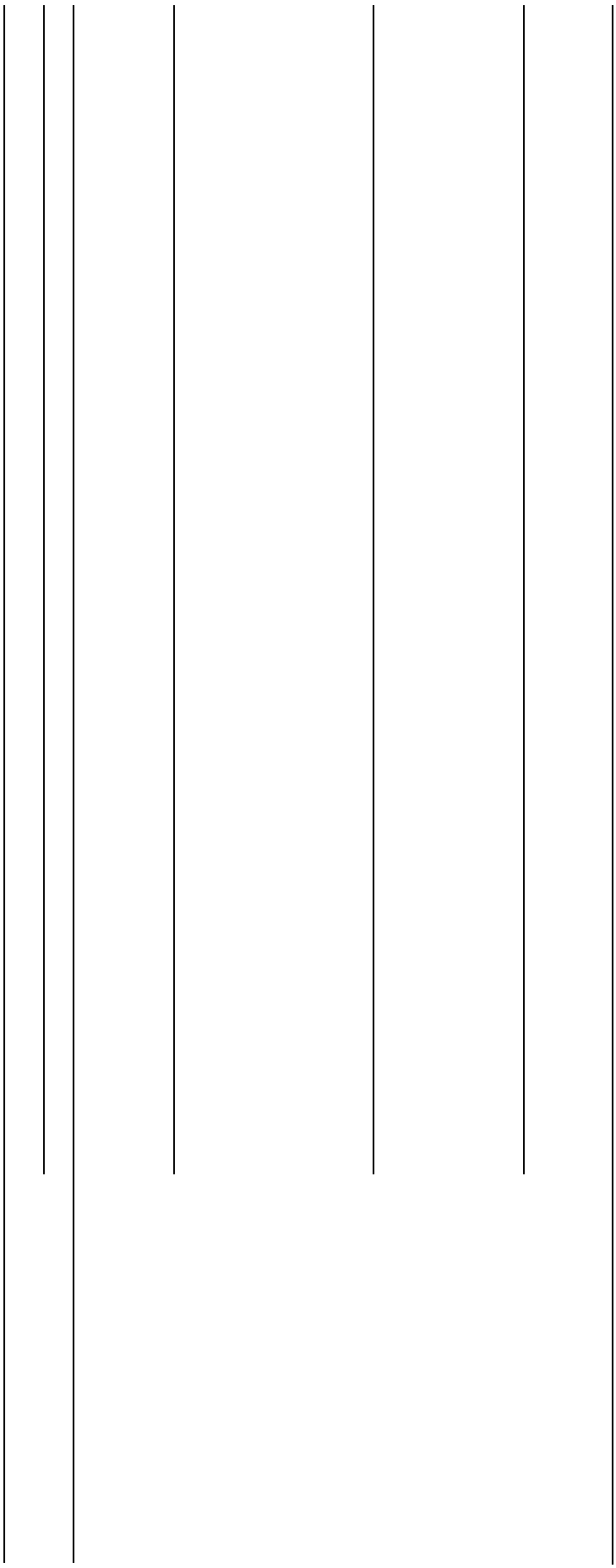


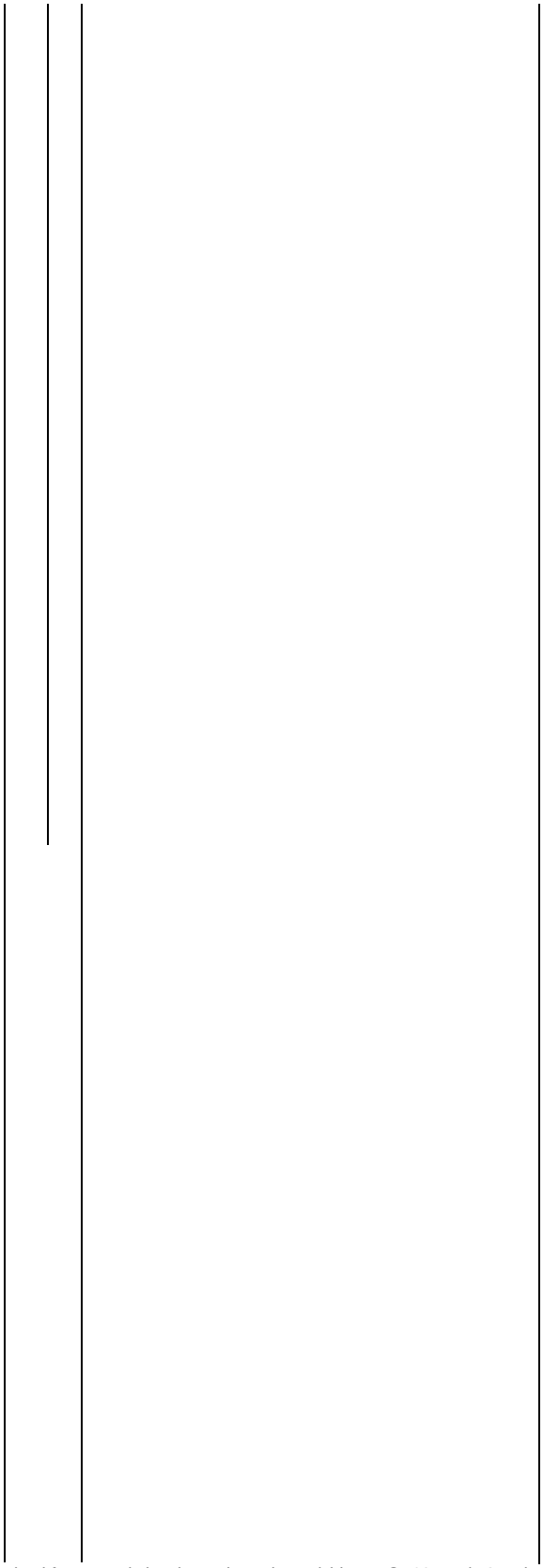
9-915-523

This document is authorized for use only by Jingruohao Zhang (zjrhwow@163.com). Copying or posting is an infringement of copyright. Please contact customerservice@harvardbusiness.org or 800-988-0886 for additional copies.

This document is authorized for use only by Jingruohao Zhang (zjrhwow@163.com). Copying or posting is an infringement of copyright. Please contact customerservice@harvardbusiness.org or 800-988-0886 for additional copies.

This document is authorized for use only by Jingruohao Zhang (zjrhwow@163.com). Copying or posting is an infringement of copyright. Please contact customerservice@harvardbusiness.org or 800-988-0886 for additional copies.





This document is authorized for use only by Jingruohao Zhang (zjrhwow@163.com). Copying or posting is an infringement of copyright. Please contact customerservice@harvardbusiness.org or 800-988-0886 for additional copies.

a

This document is authorized for use only by Jingruohao Zhang (zjrhwow@163.com). Copying or posting is an infringement of copyright. Please contact customerservice@harvardbusiness.org or 800-988-0886 for additional copies.

This document is authorized for use only by Jingruohao Zhang (zjrhwow@163.com). Copying or posting is an infringement of copyright. Please contact customerservice@harvardbusiness.org or 800-988-0886 for additional copies.

This document is authorized for use only by Jingruohao Zhang (zjrhwow@163.com). Copying or posting is an infringement of copyright. Please contact customerservice@harvardbusiness.org or 800-988-0886 for additional copies.