

How Strategic Lending Can Fuel Sustained Business Growth



Year founded:
1995



Headquarters:
San Jose, CA



Industry:
Metal fabrication

About Creative Metal Products

Creative Metal Products has been a quality-focused organization from its outset. At its start, it was a machine shop focused on disk drives in the 1970s. That time exposed the brand to high-end standards for durability, reliability and product performance. The company quickly learned it couldn't just create a good product and move forward. Instead, Creative Metal Products realized that continuous improvement is necessary to keep up with external marketplaces.

As the brand shifted, those core values of constant quality improvements and devoted service have fueled the culture at Creative Metal Products. Today, the company works primarily with a single major client - a medical device manufacturer - and provides highly specialized products to meet that customer's changing needs.

Over the long haul, Creative Metal Products has been able to sustain economic and industrial changes

Comerica Bank

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because of its focus on consistent improvement and excellent service of its customers varied production needs. In recent years, however, the brand was finding itself in a difficult position: Innovation became necessary to maintain the vision and culture of excellence Creative Metal Products cares so much about, but cash flow limited its ability to adapt and change over time. By working with Comerica Bank, the company was able to take stronger control over its processes and operations, allowing for sustained operational gains that reduced costs over time.



The opportunity

Before coming to Comerica Bank a few years ago, Creative Metal Products had a valuable opportunity. It had partnered with a medical device manufacturer to create a highly specialized component of a device. This would

allow Creative Metal Products to take its emphasis on quality and service and focus it heavily on a single, valuable client. The problem was that the component in question, which Creative Metal Products was uniquely suited to produce, required

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an extremely expensive raw material. This created a situation in which the supply chain was eating up so much cash flow that the business couldn't easily innovate its processes, forcing it to outsource expensive production elements and take on high costs.

These dynamics created a clear opportunity for Creative Metal Products. If it could move key processes in house and improve efficiency, then it could free cash flow to sustain ongoing progress to invest in the business and better serve customer demands. An injection of cash was just what Creative Metal Products needed, and Comerica Bank emerged as the ideal partner for these endeavors.

How Comerica Bank catalyzed growth for Creative Metal Products

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Creative Metal Products went into the process of seeking a loan after doing a great deal of work. Its leaders knew it needed to be in a strong position to get a loan but found that initial interactions with some banks went south as the lenders seemed disinterested. Then they came to Comerica Bank and found a team that was engaged and ready to work with them. Kenneth Hutchinson, President of Creative Metal Products, explained that: “In Comerica, we found really

real people who would look us in the eye, and you could tell that they were interested. First and foremost, they were interested. That was a massive difference. They were interested and they were educated. ... What we found was some really prepared individuals [in the Comerica Bank team] who we immediately identified with. ... It started out with a pretty high level of honesty in both directions and they followed through with a straightforward process.”

Kenneth went on to say that:

- Meetings were concise and efficient.
- The team was friendly in its methodology.
- There were only a few meetings.
- Agreements were easy to make.

These positive interactions inspired Creative Metal Products to follow the advice they were getting from Comerica Bank. Initially, the production company was coming to Comerica for a simple equipment loan. When the bank looked at their business, they saw a different angle to solve the same problem. The bank then advised them to use a loan to make a bulk purchase of inventory to take control of the supply chain costs and free cash to invest in other parts of the business. Over time, Creative Metal Products was able to use the initial value created in the supply chain to obtain updated equipment and streamline its processes.

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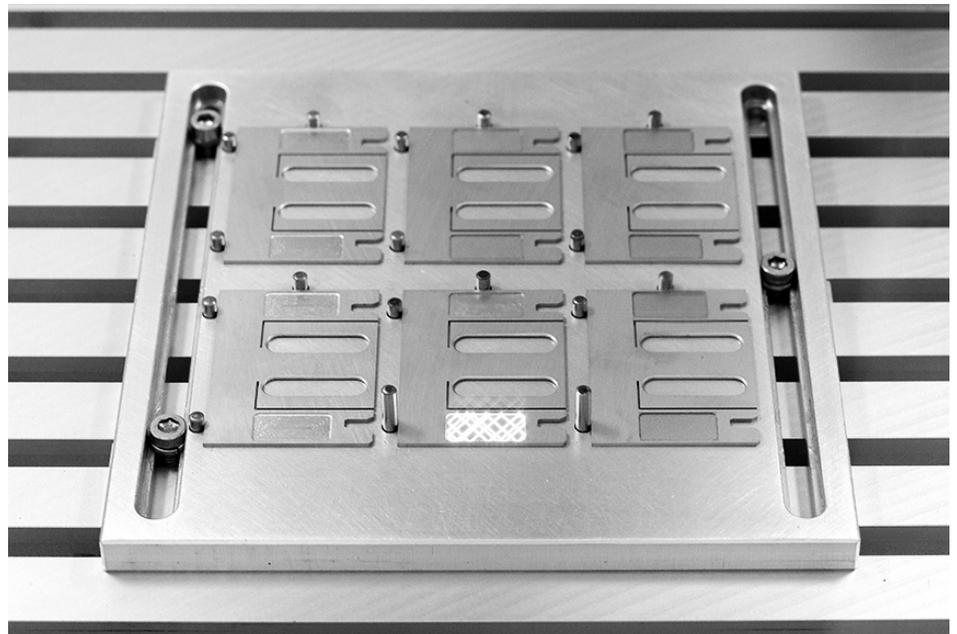
The initial financial advantage offered by the Comerica Bank loan empowered sustained innovation across the Creative Metal Products business.

The initial financial advantage offered by the Comerica Bank loan empowered sustained innovation across the Creative Metal Products business, fostering growth and empowering the brand to achieve its vision for quality and product excellence.

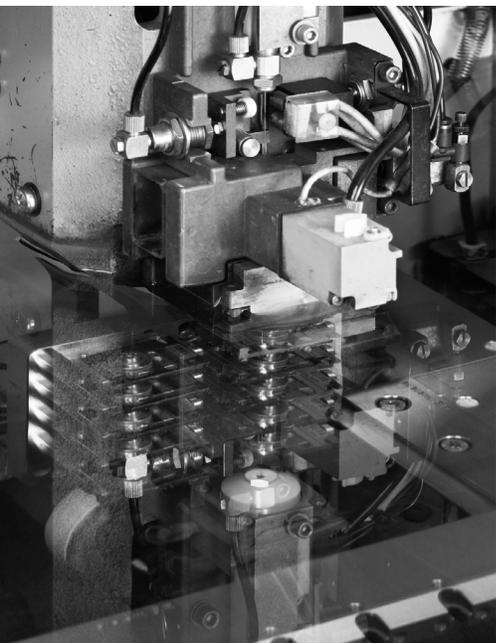
The operational advantages achieved through these gains have trickled down across the company. Kenneth explained that the company has moved most of its workforce away from being hourly employees and into salaried status, eliminating any need to work overtime while also providing raises. The business has also been looking into exciting

new equipment that can improve machine capabilities and help to continue growing the business.

As these plans have progressed, the relationship with Comerica Bank has remained strong. There hasn't been a need for constant communication or oversight, but the trust has remained. As the business is exploring new financing opportunities, the Comerica Bank team told Kenneth that they would love to make a loan offer but also encouraged him to look at all his options and get the best deal possible. The great strength of this relationship is thanks to the transparency and honesty of all parties.



Comerica Bank



Learning from Creative Metal Products

In practice, Creative Metal Products is an extremely unique company. Not many brands can build their business around a single major client and product. However, just about every business today is facing the challenge of constant change. New technologies are pushing organizations in just about every sector to continually invest in information or operations technologies to create stronger customer experiences. Identifying the best way to drive this innovation while controlling costs and managing risk is critical, but you don't have to take that journey alone. Comerica Bank focuses on relationship banking when working with small businesses, taking the time to get to know you and help you find the best use for financing, positioning you for ongoing growth and fiscal health.

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