DANIEL KURR

TRUMPF advances funds for material costs to the customer

Matthias Maier, CEO of PROGRESSIO, has full order books. The fact that he first has to buy material does not put a damper on his delight, as he is using the new financing model Trade Finance from TRUMPF Bank. It advances the funds for material costs to him, giving him some breathing room in times of rising prices and an uncertain market.

The truck rolls into the yard and delivers what Matthias Maier urgently needs: today it is 15 tons of stainless steel that his employees at PROGRESSIO Sheet Metal Technology in Aglasterhausen, Baden-Wuerttemberg, will process into high-precision sheet metal parts, sheet metal assemblies and workpiece holders. The uncertain economic situation, increased energy costs, fluctuating material availability and high purchasing costs have also made things difficult for him, as he explains: “A large proportion of our work is processing stainless steel. It is costly and we are burdened with the initial expenses. The money only comes back in when the finished products have been delivered and our customer has paid us. That can sometimes take a few weeks.” When Joachim Dörr from TRUMPF Bank introduced the concept of Trade Finance, a new financing model specifically for purchasing materials, Maier was all ears. "Our customers are dealing with massive material price fluctuations and often have to buy in advance due to unpredictable availability," explains Joachim Dörr, CEO of Financial Services GmbH at TRUMPF, adding: "This makes it difficult to calculate costs and quotations, and ties up cash that companies need to meet challenges such as rising energy costs." This is exactly where the new Trade Finance financing model comes in, as Matthias Maier enthusiastically adds: "I order material from my supplier and they bill TRUMPF Bank directly, which then pays them immediately. Then TRUMPF Bank sends me an invoice with a payment terms that matches my customer's payment terms. This means that I do not have to pay for my material until my customer has paid their bill. It's ingenious.“

Partners on equal terms for almost ten years: Matthias Maier, CEO of PROGRESSIO Feinblechtechnik GmbH and Joachim Dörr, CEO of TRUMPF Bank and Head of the Financial Services department at TRUMPF.

Production runs smoothly at PROGRESSIO. The Trade Finance financing package from TRUMPF Bank ensures a reliable supply of materials without sacrificing liquidity.

Success creates challenges

In 2015 Matthias Maier bought the company PROGRESSIO, which was insolvent at the time, in order to get it back on course by way of fundamental restructuring. "Product transformation is at the top of my to-do list," says Maier. He explains: "We have specialized in the manufacture of sophisticated sheet metal parts, the design and construction of assemblies and the construction of complex workpiece holders for production lines." Maier's customers include companies from the medical and pharmaceutical industry, bas well as from the food industry, logistics and automation. "Acquiring these customers was hard work, but this summer we had an order backlog of over nine million euros for the first time," he says proudly. However, the high level of incoming orders also posed financial challenges for Maier, because the restructuring of the company required extensive financial support from his bank. "The bank is reluctant to make additional funds available, for example for materials," explains Maier. As a trained banker, he understands this: "They have a cross-industry portfolio and of course they don't have the deep insights that are necessary to fully evaluate a company like us. Particularly during difficult times, often only hard facts count." He had an entirely different experience with the specialists at TRUMPF Bank. "This is a financial partner with a deep understanding of the sheet metal industry. When I was finally in the black for the first time with PROGRESSIO - two and a half years after taking over - and wanted to update my machinery, they looked at the products I wanted, but also at what I had already achieved up to that point," he says. "They were convinced that I would be able to keep PROGRESSIO on a successful path. This leap of faith formed the basis of our business relationship and still does today."

Stay liquid with Trade Finance

For Matthias Maier, the new Trade Finance financing model is just further proof of how helpful a specialist financial partner is. "There is still a lot for me to do in the future to ensure that things continue to go well at PROGRESSIO," he explains. "It doesn't stop with the product portfolio. Processes need to be streamlined and employees need to be trained. Work preparation steps must be made more precise and, of course, new customers need to be acquired, while existing ones need to be retained through even better delivery reliability. Trade Finance takes a real load off my shoulders. I can spend more time taking care of the company and don't have to deal with the financing of materials as well."

Matthias Maier, CEO of PROGRESSIO Feinblechtechnik GmbH, has led his company to success. The trusted partnership with TRUMPF and tailor-made financing packages such as Trade Finance have provided immeasurable support.

With innovative workpiece holder systems and assembly pallets, PROGRESSIO ensures efficient material flow for its customers' automated production systems.

Steady progress at PROGRESSIO: In the summer of 2022, the company had an order backlog of over nine million euros for the first time.

A win-win situation

As a test customer, Matthias Maier took a very detailed look at the Trade Finance financing package. Other customers are very interested as well, says Joachim Dörr: “Many of our customers are anxious. The market is unstable, meaning the issue of liquidity is very important. With Trade Finance, we can offer them real relief.”

For Matthias Maier, Trade Finance will remain a fixed financing component in the future. "My financiers are just as happy about this as my steel supplier. My supplier receives their money immediately and there is no risk with a partner like TRUMPF," he says, summing up: "With the help of the TRUMPF Bank, we have expanded our machinery pool in recent years to include a TruMatic 7000 punch laser machine and several bending machines. Joachim Dörr and his team have always supported us - even when times were difficult. The stability and solidity of our partnership gives me a good feeling, and offers like Trade Finance show me that I am working with people who know what matters to me.”

The new Trade Finance financing model from TRUMPF Bank offers customers more freedom in purchasing materials, but also protects suppliers. Dietrich Böntgen, member of the management board at Edelstahl Service Gerhard Kubisch GmbH Co. KG (left), really appreciates this benefit and he sees Trade Finance as a successful solution with great potential. “If a customer gets into financial difficulties due to restructuring or other reasons, the warning lights go on very quickly with our trade credit insurers. This restrictive attitude then puts us in the awkward position of not being able to supply these customers, which then tends to worsen the customer's situation because they cannot order any material despite a having a lot of orders on the books. Alternatively, we must assess them ourselves and, if necessary, bear the credit risk. As a supplier, we are on the safe side with Trade Finance. With a partner like TRUMPF Bank, we can be sure that the bill will be paid – and immediately at that. If the model proves successful, there is even the option, depending on the contract, of saving on the cost of trade credit insurance in some cases. This would of course be fantastic. We have many customers who use TRUMPF systems and we will highlight this new financing option to them in the future. Trade Finance is an innovative model and makes things easier for all of us."

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