

# ARDWIN FREIGHT: USING CREDIT INSURANCE TO FUEL GROWTH

Recently, Edwin Sahakian began a search for a solution to his credit management problems. He discovered credit insurance and redefined the way his company, Ardwin Freight, conducted business.

## THE CHALLENGE

Since 1989, Ardwin Freight – a southern Californian asset-based regional truckload carrier – has earned a strong reputation offering transportation-related products and services to help its customers seize their important business opportunities. While this has helped position Ardwin as a market leader, it has struggled to achieve a balance between sales expansion and its conservative credit approach, causing the company to miss out on some of its own critical growth opportunities.

In particular, Ardwin struggled with the most effective way to extend credit to its customers, tending to be cautious and inconsistent – something compounded by their increasing business size and economic speed bumps.

“In the transportation industry, margins are low and turnover is high,” said Edwin Sahakian, owner of Ardwin Freight. “You have to be careful. When your profit margin is 5%, you have to make sure you will get paid or else you won’t be in business very long. Lack of cash flow can be damaging, and it can put you out of business.”

Years in Business: 30  
Years with Euler Hermes: 5

### Region:



United States

### Sector:



Transportation  
& Logistics

### Challenge:



Increased  
credit function  
support

### Policy Benefits:



Comprehensive  
credit function  
support



Safer sales  
growth



Thorough customer  
insights and risk  
information



Financial peace  
of mind

## THE SOLUTION

Over time, credit decisions started to paralyze Ardwin, especially when its industry became more fiercely competitive and fragmented. Four years ago, Ardwin reached out to Euler Hermes for help.

The customized trade credit insurance solution developed for Ardwin gave it access to the in-depth credit analysis and ongoing account monitoring it needed, quickly strengthening the company's procedures, increasing efficiency and improving customer relationships. Having the proprietary knowledge and risk monitoring a credit insurance policy provides, Ardwin had the confidence to significantly increase credit limits to help stimulate sales.

## THE OUTCOME

"We have increased limits in some cases four-fold," said Sahakian. "It does give us a competitive advantage – we are interested in customers that our competitors are not. Credit insurance takes the uncertainty out of credit requests."

Additionally, working with Euler Hermes has allowed Ardwin to more effectively manage its in-house resources. Once a

frequent source of headaches and worry, credit decisions are now no longer of concern to the company's management, particularly due to Euler Hermes' deep experience, strong financial ratings and proven risk management and debt collections services.

"Even if we had the ability to hire the best credit manager in the world, there are instances where no one can predict that a company will fail," said Sahakian. "A credit manager doesn't give you a safety net, credit insurance does."

In addition to this peace of mind, Ardwin has found that credit insurance has allowed the company to seize many of its previously missed opportunities, leading to significant business growth.

"In the past year, we have grown 20%, which is much better than the industry," said Sahakian. "Quite a bit of this could be due to our relationship with Euler Hermes."



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– Edwin Sahakian, Owner of Ardwin Freight

### For more information you can:

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