

Nonprofit lender helps machine shop expand, diversify client portfolio

Written by By Finance New Mexico
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When Robert Sanchez got a chance to buy the shop where he started his machining career, it was too good to pass up. That was 20 years ago, when Tremble Navigation purchased the Albuquerque machine shop of Terra Avionics and prepared to move the company to Austin.

The new buyer proposed to sell the machine shop to Sanchez and offered him a two-year contract to build parts for Tremble — mostly radios and transponders for small aircraft. That contract alone provided enough revenue for Sanchez to cover the purchase price.

Within four years, the renamed Advanced Machining and Sheetmetal Design (AMSD) had sold off that product line and ended its work with Tremble. By then the company had acquired new customers, and it needed more equipment.

GOOD CONNECTIONS

Robert's wife, Diana, had met Norma Valdez, a loan officer with The Loan Fund, through her work as an escrow officer at Fidelity National Title of New Mexico. In 2012, Diana approached The Loan Fund, New Mexico's oldest nonprofit community lending organization, for the first time as a client.

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The purpose of the first loan was to buy an additional computer numerical control unit that would allow AMSD to keep up with demand and continue building its client base beyond the aviation and electronics industries. Because the machine wasn't new, the company had problems finding a bank that would lend the money to buy it.

"Norma and The Loan Fund were excited to do business with us because they hadn't been in this market before," Robert said. "They financed a piece of equipment for roughly \$100,000 ... for the sheet-metal side of the shop."

The new machine added capacity to the shop, allowing AMSD to serve its growing list of clients with both their fabrication and machine processing needs in one place — at significant savings — rather than having some of the work contracted out. It also allowed the company to expand and provide jobs for four full-time workers.

AMSD's diversified portfolio includes private and government clients in the transportation, medical supply, lighting and electronics industries.

The second loan secured by AMSD is a line of credit that helps the company with cash flow and occasional small purchases.

GOOD PARTNERS

"The Loan Fund is a great place," Robert said, "and more people should know about them. They made a loan possible for our growing business during a time when credit was becoming less available."

Diana said she was pleasantly surprised to realize how invested and supportive the organization is in its clients' success. "The Loan Fund has been an extension of support and guidance for us," she said. "As small-business owners, everything has been a learning curve. It's nice to have an entity like The Loan Fund to help us navigate some of the things that arise as we move forward."

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The Loan Fund's investments support more than 1,200 New Mexican jobs at businesses that generate more than \$100 million in annual revenues. About 60 percent of the organization's clients are people of color and 45 percent of borrowers are women, and most qualify as low or moderate income borrowers.

To learn more about AMSD, visit: www.amsdnm.com

For more information about The Loan Fund, go to: www.loanfund.org

Finance New Mexico connects individuals and businesses with skills and funding resources for their business or idea. To learn more, go to: www.FinanceNewMexico.org

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