

# Rural Development Assists Local Manufacturer to Increase International, Domestic Sales

## Outline Of Need:

International sales are a significant part of a Holdrege, NE company recently aided by a USDA Rural Development guaranteed loan through the American Recovery and Reinvestment Act. Allmand Brothers, Inc., established in 1938, is a leading manufacturer of a wide variety of portable light towers, jobsite heaters, compact tractor loader backhoes, Port-A-Lite™ light stands, and solar arrowboards. The company has 35-40% of its business in international sales.

The downturn in the economy had noticeably affected sales in 2009, following the trend for manufacturing companies nationwide. Allmand Bros started implementing a strategic plan that would allow it to operate more efficiently and effectively. One strategy involved restructuring existing debt in order to increase cash flow. At the time of its request for ARRA funding, Allmand Brothers had reduced its workforce to 120 employees.

## How Rural Development Helped:

USDA Rural Development was able to assist Allmand Brothers, Inc. with a guarantee for a \$7 million loan through its Business & Industry Guaranteed Loan Program. A 90 percent



guarantee made available through ARRA funds to Bruning State Bank of Holdrege. The guarantee loan restructured the debt by providing extended terms to fit the business's financing needs, improving cash flow and reducing interest payments by half.

**The Results:** The restructuring has allowed Allmand Brothers, Inc. to increase cash flow and hire 60 employees, for a total of 180 employees. The company continues to be one of the largest employers in Holdrege and offers competitive wages and full benefit packages to its employees. Allmand Brothers, Inc. also added new equipment to its production line, allowing it to bring back previously outsourced jobs and increase its bottom line. Allmand Bros. has been able to maintain its international sales levels at 35-40 percent of sales, as other countries are now increasing their infrastructure, and need equipment to assist with construction projects. The company will continue its strategy of developing its domestic sales model

after its very successful international sales model, in order to increase domestic sales. Allmand Bros, Inc. saw the downturn in the economy as an opportunity to re-evaluate its business and sought input from employees in determining its long-term strategies. It has been a "team" effort and the company is seeing the success of its strategic changes.