

Thriving TradeCard to seek further funding

■ Bien Perez

Encouraged by a surge in e-commerce projects, financial supply-chain services provider TradeCard will seek a fresh round of financing this year to expand its operations.

Chairman and chief executive Kurt Cavano claimed that both revenue and transaction volumes processed by the New York-based company went up more than 200 per cent last year.

"We're going to do one more round of financing, in the US\$10 million to \$20 million range, to fund our expansion this year. This would be the last since we expect to generate positive cash flow in 2005."

The new round follows a successful offering in November, when TradeCard received \$10 million in cash for shares in the company.

With the additional investment, TradeCard

would roll out more features and products on top of its Web-based global trade transaction-management platform, and get more small and medium-size enterprise (SME) suppliers in Asia to use the service, Mr Cavano said.

"After five years in operation, we and our customers know that this stuff works. Our business, which used to process deals amounting to hundreds of millions of dollars, is now handling trade transactions worth billions," he said.

Launched in Hong Kong in March 2000, TradeCard enables buyers and sellers to initiate, conduct and settle trade transactions paper-free through its secure network. Its global network of partners provides additional services on the platform, including supply-chain financing, credit protection, money movement and inspection.

Mr Cavano said most of TradeCard's 700 member

firms were SMEs, with trade transactions involving Chinese manufacturers accounting for about 60 per cent of its business growth last year.

An additional 300 Asian suppliers are expected to join TradeCard after seven major buyers signed up last year. This would result in TradeCard handling more than US\$3.5 billion in new trade transactions a year.

Mr Cavano said: "Our focus on specific industries over the past 18 months has paid off handsomely. In the footwear and apparel industries, for example, we are serving customers in the entire supply chain – from raw materials to finished product."

The company's customers comprise multinational firms sourcing products from Asia. These include Staples, JC Penney, Linens 'N Things, Wolverine Worldwide, Hurley International, TAL Apparel, Van Heusen and Vans.

"TradeCard has given us a solution that is flexible enough to meet our needs as a large company which has to communicate with many different parties, such as customers, vendors, internal factories, and financial and logistic institutions across multiple countries," TAL Apparel managing director Harry Lee said. "Our aim is for TradeCard to be the standard for all our business."

A recent survey by market intelligence firm Evans Data Corp found a 40 per cent increase in business-to-business e-commerce projects planned for this year.

"We're seeing resurgence in e-commerce deployments, but this isn't a revival of the dotcom frenzy by any means," said Joe McKendrick, Evans' enterprise analyst.

"Rather, many companies are extending relevant portions of their applications and data to supply-chain partners."