

How a national material supplier doubled revenue from high-risk customers

During the 2008 recession, 9Wood Lumber partnered with Levelset to protect their receivables. While other businesses struggled just to stay afloat, 9Wood achieved large-scale and sustained revenue growth. Ten years later, Levelset is still a key tool for 9Wood's team.

- **Scout Research** finds the project and contractor information 9wood needs to stay protected on every project, saving their accounting team hundreds of hours of work.
- **Deadline tracking** ensures that lien rights never slip through the cracks. 9Wood knows what to send (and when) on every single job.
- **Paperwork is easy** because 9Wood can send the right legally-valid notices, liens, and other documents on any job with a few clicks.



"Levelset is invaluable because, in a time when our industry feared the worst, Levelset helped us grow our business and set us up for long-term growth. All of our big accounts receivable problems are from before we started using Levelset. We just wish we would have started sooner."

Charley Coury
CEO of 9Wood



118%

**Increase in revenue
from risky creditors**

26%

**Increase in
overall revenue**

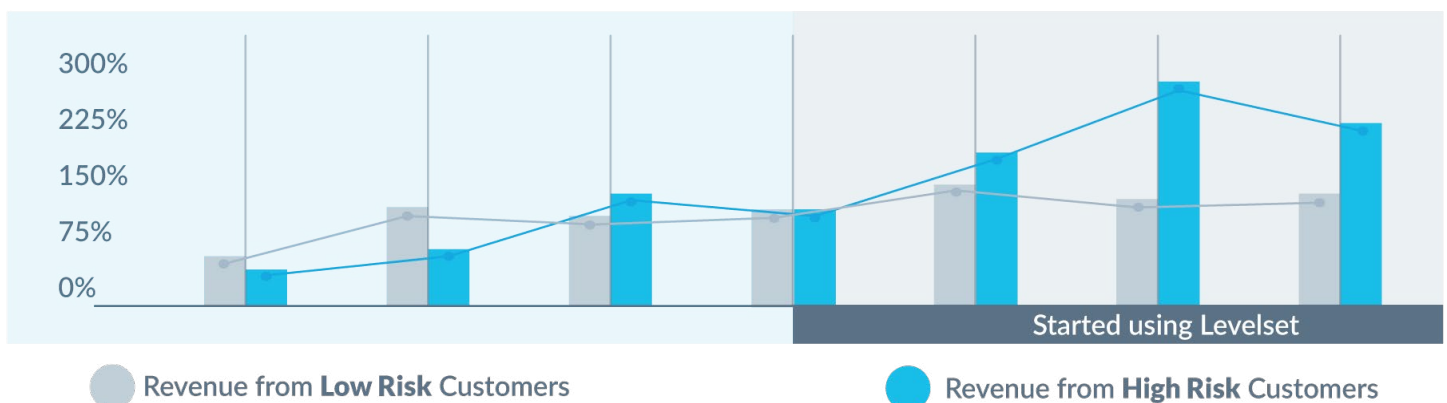
.01%

**Write-offs from
bad debt**

9Wood eliminated bad debt and grew sales

With Levelset in their corner, 9Wood began offering credit terms to more customers and **doubled** revenue from risky customers during the last recession. Their sales team continues to sign up risky accounts because bad debt is not a problem anymore.

Percent of revenue growth by credit level



How 9Wood did it

Before: Risk and Missed Opportunities

Ten years ago, 9Wood collected payments the way most suppliers do. The accounting team juggled piles of paperwork and used messy Excel spreadsheets to track deadlines.

9Wood faced the following challenges:

- Missed lien and notice deadlines put their receivables at risk
- They turned down jobs with new or risky customers due to fear of nonpayment and lack of confidence in securing lien rights
- Difficulty getting defaulted customers to pay in a timely manner, or ever



“Before Levelset, we had no good options for taking on risk. Now, because they make it so simple to exercise our lien and bond claims successfully for risky customers, we can avoid collections problems almost altogether.”

Charley Coury
CEO of 9Wood



After: Security and Confidence

9Wood follows an ironclad process to secure payment, and their old headaches are things of the past.

1. Send a notice to set expectations

9Wood sends a notice to secure lien rights on all jobs that aren't paid up front (not just the big ones). On 97% of jobs, no further action is required to get paid.

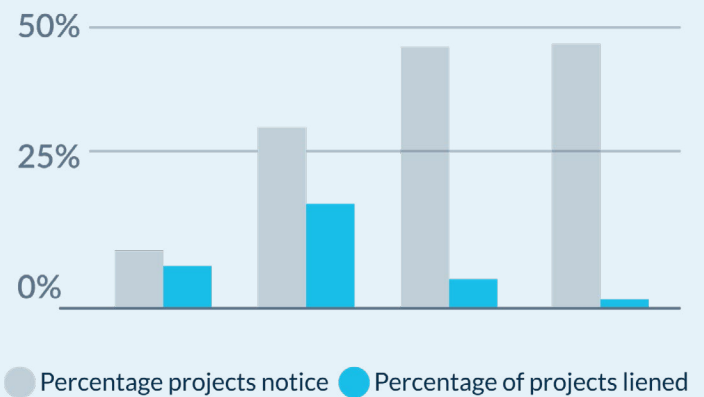
2. Warn that the lien is next

If 9Wood still isn't paid by the time materials ship, they send a notice of intent to lien to alert their customer that a lien will be filed if they aren't paid quickly.

3. File a lien to collect AR

If still not paid, 9Wood files a lien through Levelset. In the rare cases where a lien doesn't get them paid, 9Wood moves forward with enforcing the lien.

9Wood found that when they send more notices they get paid faster and file fewer liens.



“The Levelset system is a valuable part of our credit & collections process, helping us keep track of lien deadlines and navigate the laws in different states. The Levelset team is always so helpful and responsive to all our needs, and more!”



Vjera Thompson
Accounting Manager

9Wood never misses a thing thanks to Levelset. Every deadline is identified, every document is sent correctly, and every payment is secure. 9Wood even gets alerts when Levelset identifies early signs of payment delays on their jobs. With Levelset backing up their credit and accounting teams, 9Wood has rapidly scaled their business in turbulent economic times.

Interview with 9Wood

We sat down with the 9Wood team to ask them about their experience with Levelset.

What kind of business is 9Wood?

We are the only company in the US that exclusively fabricates custom wood ceilings. All our products are one-of-a-kind and engineered to order. We ship them to locations across North America.

How do you use Levelset?

We use Levelset to be aware of our lien rights. We ship to many different states and without Levelset we would be unable to follow the many complexities of lien laws. We also use Levelset to file lien paperwork.

How has Levelset helped your company grow and make more money?

We did not have good options for taking on risky customers. The tool we used the most was the joint check agreement, and would only do business with a risky customer if they provided a joint check agreement. We have a lot more options now if we want to work with someone who has risky credit or can't pay the deposit up front. We have used our lien and bond claim rights many times in these situations successfully.

What is your favorite thing about Levelset's services?

All the research we don't have to do on lien deadlines and requirements in each state. Also, the ability to track timelines and due dates.

What is the most painful thing about mechanics lien and notice management that Levelset has helped solve?

Before we started using Levelset, we often missed notice deadlines because they were often much earlier than we expected them to be. Now we have advance notice for upcoming deadlines and don't miss the narrow window of opportunity to preserve our lien rights.

How has Levelset improved your accounts receivable management?

We now avoid collection problems, since a timely-filed notice includes the General Contractor and owner and encourages our customer to pay us. All our big accounts receivable problems are from before we started using Levelset. We wish we would have started sooner.

What is most surprising about your adoption of Levelset's platform?

We have used Levelset successfully a couple different times to bring negotiators to the table. After they heard we were preparing the lien, a settlement was worked out and payment was received.

Since adopting Levelset, has 9Wood had any write-offs at all?

Since we started using Levelset, all bad debts were from customers we had internally labeled with "good credit" who we did not run through Levelset.

