

# Credit Crunch Affecting Small Businesses



Released on: October 9, 2008, 5:20 am

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Industry: [Food & Beverage](#)

## **Press Release Summary: Customers Willing To Wait For Their Orders While Gourmet Food Company Struggles To Find Working Capital**

Press Release Body: Napa, CA (Oct 8, 2008) – Eight years ago **Susan Knapp** began making **Cinnamon Pear Jelly** in her kitchen as a holiday treat. When she realized there was a demand for her healthy and delicious pear creations, she left her lucrative executive position to focus on building her own gourmet food company.

Knapp launched **Aunt Sue's** in 1998 with four products, each one winning top awards at the Lake County and California State Fairs. As the company gained momentum, Knapp changed the name to **A Perfect Pear from Napa Valley** and introduced 15 new products. Now, major wholesale customers include Whole Foods, Bristol Farms, Disney, Luxor Hotel & Casino, and the United States Navy, in addition to hundreds of boutique retailers, wineries, restaurants, and caterers across the nation.



Knapp's commitment to make healthy products that taste delicious, look beautiful, and are friendly to the environment has propelled her company to the brink of the big leagues. And yet, the business is struggling. *"Our problem has never been sales,"* Knapp says. *"Our biggest challenge is undercapitalization."*

With product rapidly flying off the shelves, Knapp finds herself in a unique position: over \$100,000 in pending holiday backorders and not enough cash in reserves to manufacture. The rising costs of raw goods and the current credit crunch had brought a rapid halt to production, and yet, the customers are willing to wait.



*"Everyday I get calls from customers who tell me they can no longer find our products," says customer service rep Kat Patterson. "I have to tell them that we are sold out and unfortunately, we don't know when we will be able to make more. They always tell me they'll wait. They love our products and don't care how long it takes. But I know people are anxious to place their holiday orders."*

*Each time I go to production I am making more product, which is great!"Knapp says. "But that also means I always need more money to keep up with growing demand."*

With SBA and bank loans halted, Knapp is now seeking funding from private parties. In this economic crisis, we're thinking outside of the box and we're getting pretty creative."

Knapp currently needs \$200,000 to fill backorders and put inventory on the shelves for the busy holiday season. She could save money by using less expensive ingredients and materials, but refuses to cut corners on quality. *"Our commitment is to make healthy, delicious products with all-natural, mostly organic and mostly local ingredients. Our customers expect that and are willing to wait. They know we'll be back."*

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