

SUPPLY CHAIN FINANCE IMPROVES WORKING CAPITAL AND ENHANCES CASH FLOW FORECASTING

Incorporated in 1991, Appetite Foods Group is a privately-owned natural pet food manufacturer and a supplier to some of Australia's leading retailers. One of Appetite Foods' largest customers, an Australian retail chain with more than 200 stores nationwide, pays on 90-day payment terms. Despite these payment terms, Appetite Foods pays a significant number of its suppliers via bill of lading (i.e. payment is due before goods are shipped).

As a result, the company was experiencing a long cash conversion cycle that put strain on the company's cash flow. To eliminate the lag between when the company pays its suppliers and when they receive payment from the retailer, Appetite Foods joined its customer's supply chain finance program. This allows them to reduce the cash conversion cycle and improve cash flow by deciding exactly when they want to receive early payment and for which invoice.

Better cash flow is just one benefit of participating in a PrimeRevenue-led supply chain finance program. Appetite Foods has also gained new visibility into approved or pending invoices, which reduces the administrative burden of chasing down their customer's AP department. Additionally, the program provides transparency into precisely how much it will cost to advance payment, which continues to be much lower than bank financing rates - and without the worry of being locked into months of interest payments.

“We simply log into PrimeRevenue and choose which invoices we want to submit for early payment. I also have better visibility into payments. It improves our cash flow and gives us the transparency we need to run our operations more smoothly.”

Mary Hill, Accounts Payable, Appetite Foods Group

CASE STUDY SNAPSHOT:

CHALLENGE:

NEEDED TO STRENGTHEN CASH FLOW BY OPTIMIZING CASH CONVERSION CYCLE



RESULTS:

- **POWER TO CHOOSE WHEN TO GET PAID AND FOR WHICH INVOICE LED TO IMPROVED CASH FLOW**
- **VISIBILITY INTO APPROVED OR PENDING INVOICES HELPED OPERATIONS RUN MORE SMOOTHLY**

About PrimeRevenue As a pioneer in global B2B payments, the PrimeRevenue SurePay Platform connects the entire supply chain by improving working capital and automating digital payments. Thousands of companies around the world leverage one streamlined platform to increase payment visibility, enhance control, and improve cash flow. PrimeRevenue is headquartered in Atlanta, with offices in London, Prague, Hong Kong, and Melbourne. For more information, visit www.primerevenue.com.

Follow us:    