

Timely B2B Payments: The Impact of Predictable Cash Flow on Small Businesses



Macro-level forces, such as supply chain disruption and the pressure to keep up with transformation, affect suppliers of all sizes – but none more severely than small businesses. Even in the most favorable economic conditions, smaller suppliers’ well-being can be hamstrung by limited access to affordable liquidity, high debt ratios, and unpredictable cash flows.

This is precisely why many small suppliers are eager to participate in programs that ensure early or on-time payment, like those offered via the PrimeRevenue SurePay platform. Solutions like supply chain finance offer the option to receive near-immediate payment on invoices submitted to their customers, while maturing payment solutions guarantee suppliers get paid on time, every time.

Early and on-time payment does more than improve cash flow for small suppliers. It fuels business resiliency and stability by helping suppliers navigate economic turbulence, supply chain slowdowns, and delayed buyer payments without taking on additional (and often expensive) debt.

On-Time Payment



Predictable Cash Flow Late payments significantly stunt cash flow, causing small businesses to delay hiring, postpone purchasing inventory, or cut staff hours. Timely payment provides suppliers reliable cash flow so they can confidently invest in growth and other strategic business initiatives.

Payment Visibility Technology-enabled solutions offer suppliers complete visibility into when an invoice is approved, if the correct sum is being paid, and when payment will be received. This minimizes error-driven payment slowdowns while providing payment certainty.

Non-Debt Liquidity Accelerating payment on invoices is not counted as debt. These transactions are considered a non-recourse true sale of receivables, meaning suppliers can access the cash they need without negatively impacting the balance sheet.

Low Cost of Capital Early payment gives suppliers the ability to receive near-immediate liquidity at a fraction of the cost of higher-interest lines of credit. This is because suppliers leverage their customer’s credit rating to secure competitive rates.

Early Payment



Improving Small Business Resiliency and Stability

As many small suppliers will attest, the benefits of early and on-time payment can be transformative.

EVolution Pet Supplies is a small provider of pet products in Australia. Retailers' stringent minimum inventory requirements require EVolution to have 4+ months of inventory on hand. In the past, the company relied on lending or credit cards to finance inventory – both of which had high interest rates. Since onboarding onto their customer's early payment program, EVolution can easily meet stock minimum requirements. Transparency into invoice approvals has also improved financial planning.

"I heard about the supply chain finance program and actually contacted the retailer directly to see if I could participate. The cost of doing business with larger companies can be a barrier for small suppliers. With PrimeRevenue, I'm able to access the liquidity I need to make sure we can meet our customer's requirements at a cost far lower than other traditional financing and supply chain finance options."

- Vera Lee, Managing Director, EVolution Pet Supplies

UK-based **S.T.A. Transport** is a small business that subcontracts with DFDS, an international shipping and logistics company. Starting a small business is tough, especially in an industry that requires large amounts of capital up front. S.T.A. Transport leveraged the supply chain finance program to accelerate payment on their invoices and invest in growth. Since joining the program, the company has significantly expanded its fleet (which started with only one truck) and continues to grow and thrive.

"When you're running a vehicle and it's using anything from £1200 to £1500 a week in diesel alone before your other outgoing costs, it's very difficult when you're initially starting off... [now with] PrimeRevenue... I'm working a week and then the following week, my money is in the bank"

- Steve Archer, Managing Director, S.T.A. Transport

The construction industry is known for lengthy payment terms, and as an added challenge, most projects require upfront capital. These challenges can significantly impact a small business' ability to bid on future projects. **Corporate Electric Group**, an American electrical subcontracting company, used their customer's early payment program to get paid early, which provided the cash they needed to go after more work, more aggressively.

"There's a qualitative aspect to the program in that it lends predictability to your stream of cash flow... As an owner of a small business, I was able to see how our approach to the business was much better and more aggressive [with the program]. It allowed us to expand our business and it's been positive results all around."

- Stephen Meyler, Vice President, Corporate Electric Group