



The Reprocessor

COMING TO TERMS WITH BIG ORDERS

The business

A large USA company distributing paper and tissue has a customer which processes bulk tissue into kitchen roll for a large retail chain.

The challenge

The retail chain typically pays for the kitchen roll 90 days after the rolls are delivered. However, the reprocessor is obliged to pay the distributor for the raw material at the point of dispatch from its warehouse. This 90 days' working capital requirement of the reprocessor, who has a growing order book, has put huge strain on the reprocessor's finances. Although its factory has the capacity to meet growing demand, it has been held back by a lack of sufficient working capital.

The TradeRiver Solution

Both companies registered with TradeRiver USA one as a Buyer and the other one as a Seller. By electing to take 100 days credit from TradeRiver USA, the Buyer is now able to release full cash payment directly to the distributor at the point of raw material dispatch using the TradeRiver USA online platform.

The revolving TradeRiver 100-day facility, set against the 90-day terms of the retail chain, means the Buyer always has access to sufficient cash to meet its supplier obligations and pay down its facility on time.

None of the parties in this supply chain are required to provide security. The Seller is able to increase the volumes delivered to its customer who in its turn requires no working capital at all to facilitate a major increase in its turnover.

THE TRADERIVER SOLUTION

