



Supplier Finance: Unlocking the Supply Chain

Corporate’s objectives in managing their supply chain often include improving cash flow, mitigating risks, and acting in a socially responsible manner. Supplier finance is one of Barclays’ trade and working capital solutions that supports our clients in achieving these objectives.

Barclays Supplier Finance enables suppliers to discount their receivables in exchange for an early discount cash payment from Barclays.

Suppliers are particularly interested in this solution as it allows them to accelerate the collection of trade receivables on a non-recourse basis. It creates an alternative source of finance that is often more competitively priced than the existing financing arrangements.

Our collaborative and consultative approach starts with a thorough understanding of your objectives. Following that, a detailed analysis is conducted to qualify the benefits, determine suitable suppliers and establish an efficient on-boarding strategy.

Benefits for the Buyer

-  Mitigates the impact of term extension on their suppliers
-  Reduces their suppliers’ financial risk
-  Enhances their relationships with suppliers
-  Takes costs out of supply chain
-  Demonstrates Corporate Social Responsibility

Benefits for the Supplier

-  Provides the option to accelerate the collection of their trade receivable
-  Improves cash flow without increasing debt
-  Enhances cash flow visibility
-  Pays to their existing collection bank account
-  Applies costs only when an early payment request is made on the trade receivable

The Co-operative Group

Corporate Summary

The Co-operative Group are one of the world's largest consumer co-operatives, owned by millions of members. They are the UK's sixth biggest food retailer with more than 2,500 local, convenience and medium-sized stores.

The company have clear financial and operational objectives, employing nearly 70,000 people. They are a recognized leader for their social goals and community-led programmes. This corporate ethos makes this type of solution a perfect fit to assist their suppliers.

The Challenge

Co-op have had 2 previous Supplier Finance programmes and were looking to put in place an expanded programme to assist more of their suppliers at a challenging time, as the existing programme was not sufficient in size.

There was a desire to make supplier terms more consistent, but not at the detriment of their supplier base. Co-op were very keen to have the right partner to grow a larger facility.

In addition Co-op were very keen to have the correct platform to allow them the necessary analysis of suppliers, to ensure they could assist all the suppliers that they could. A tender was put out to a number of banks to provide their proposal.

The Solution

Barclays worked in partnership with PrimeRevenue to analyse the supplier base and put in place an optimum solution for both the suppliers and Co-op, in a programme that could grow to £200m.

PrimeRevenue is one of the leading providers of supply chain finance solutions, operating over 400 supplier finance programs globally. They have approximately 30,000 suppliers across 80 countries, and process more than £200 billion of invoices annually.

The joined up pitch with PrimeRevenue really worked well, and after a very smooth implementation, the programme went live in June 2020.

“ When looking for a new Supplier Finance partner, we were impressed with the joined up approach of Barclays and PrimeRevenue to provide a combined tender rather than a bank only tender. This gave us visibility of the platform and the comfort of our relationship bank being involved at every stage. We were impressed how quickly the programme was implemented together with the implementation support received, and we were of course delighted to be able to offer a programme like this to our suppliers in challenging times. ”

Simon Nuttall, Head of Tax, Treasury and Insurance
Co-operative Group Limited

