



“They have funded growth by allowing their suppliers to release capital using supplier-led supply chain finance. This offers them a significant advantage when approaching potential customers.”

Murray Stevenson | Sales Director, Woodsford TradeBridge



We are a family-run food service business established in 1975. We are a high growth business, with a strong track record in:

- Understanding the dairy sector in depth.
- Establishing strong and long-standing relationships with a small number of high-quality suppliers.
- Innovation due to the strength of our working capital toolkit.

This approach has allowed us to grow despite many changes to the way people buy and sell dairy products. We supply many businesses and property companies, with large deliveries of milk products and other very high-quality products. In total, we now have around 300 product lines and growing.

Our story

Our business expansion has come through moving from a retail-oriented strategy to a new operating model focused on food service. We work with more than 1,600 nursing homes, hospitals, schools and office blocks in London and the South of England.

Navigating the cold chain

The time from field to end consumer is absolutely vital in the fresh food sector.

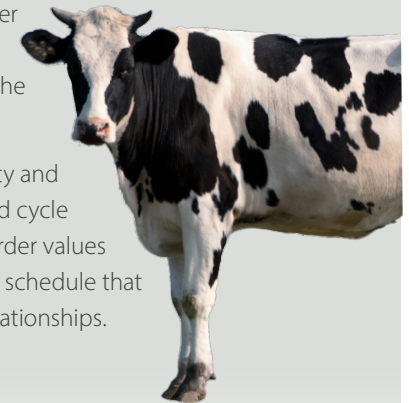
Our upward growth trajectory is dependent on strong relationships with a handful of larger producers. There is a trend in the food service sector to use smaller, specialist “boutique” providers, but our customers are not looking for this. They require freshness, competitive prices, and reliability.

Our clients recognise the importance of sustainable production and responsible business, and that is much easier to control with a small pool of suppliers.

Balancing risk and uncertainty

We maintain this in a number of ways, of which offering prompt payment is one of the most important.

There is a degree of certainty and predictability in our demand cycle – this allows us to predict order values and put in place a payment schedule that strengthens our supplier relationships.



Funding the supply chain

Milk purchasing is our largest individual purchase, and we typically pay for milk on 30-day terms. However, our typical customer base aging is about 70 days, creating a working capital gap, which we fund.

We operate an invoice discounting facility through our bank which allows us to discount our sales or our debtors. We complement this with our supply chain finance facility from Woodsford TradeBridge.

Giving our suppliers the working capital flexibility that they need to align their growth with ours is one of the most important factors for us. For example, this has allowed us to add a fast-growing line in cheese and yoghurt in response to customer demand.



When did you introduce supply chain finance?

When we first started talking to Woodsford TradeBridge, we were working with two main suppliers, and trading with 6 weeks' credit. Their weekly invoice was typically around £100,000, so at the time they were large suppliers in terms of our overall business.

Using the Woodsford TradeBridge facility, they were able to get paid in advance of the six weeks which improved their cash flow and allowed them to expand their delivery fleet and general operations very quickly.

It's not in our interest if our suppliers run out of cash

If we expand, our suppliers need to support us with an expansion in their own overheads and that puts them under financial pressure. So, the facility supports the demands of both our business and theirs. Obviously, if we pay them in two weeks instead of six weeks, they are able to fund the growth in infrastructure that they need.

Financing growth

Historically, we have grown through acquisition. However, in 2018, we grew 30% in 15 months (from a £44m business to a £60m business) - the fastest period of natural growth we have seen.

The next step in our growth will focus on the North of England, starting with establishing a distribution hub in Manchester, which will give us the ability to cover about 80% of the British population.



“ Our plan is to grow quickly from a £60m to a £100m business, so pro-rata our key suppliers business will need to expand by that same scale. ”

Get in touch to find out how Woodsford TradeBridge can help you make your company's cash flow more flexible.



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