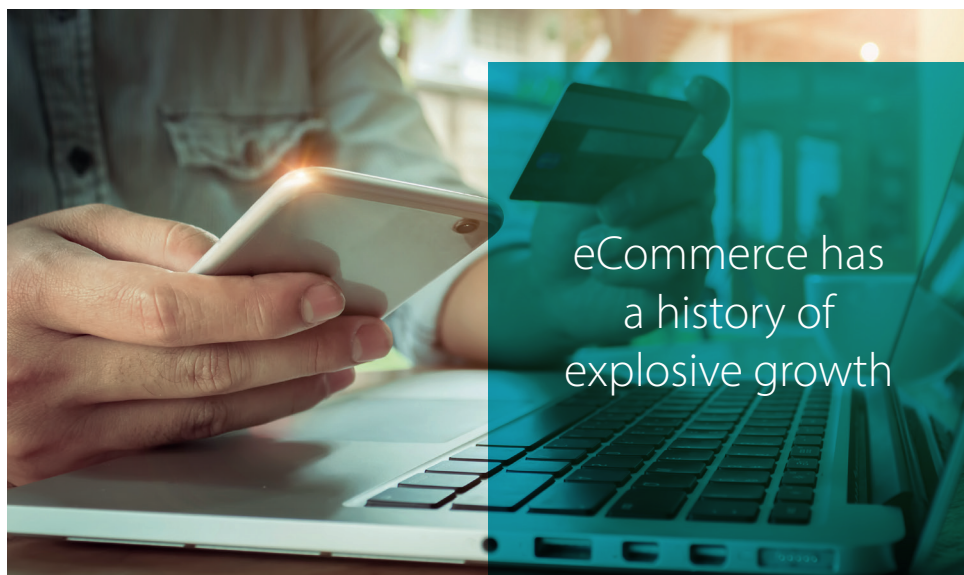




# The real costs of working capital

You have an opportunity to be seized, a moment to drive growth. You need cash – but it's vital to consider the projected repayments of your working capital facility.

It's important to both your success and future growth to understand the nature of your arrangement with your lender.



eCommerce has  
a history of  
explosive growth

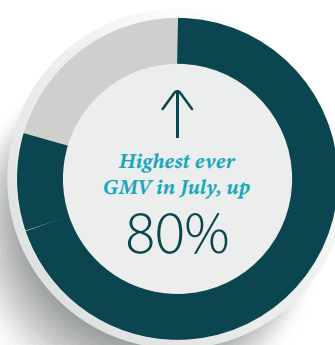
For many eCommerce merchants that sell on one or a range of channels, the key to success is often researching and sourcing the products customers want, then having the agility and the cash flow to move quickly, acquire stock and fulfil customer orders.

For the eCommerce merchant, repeatedly seizing the moment to deliver a trending product to market is the key to sustained and explosive growth

## How TradeBridge funded Raysan's explosive growth on the Newegg platform

Using a TradeBridge working capital facility Raysan were able to quickly respond to changes in the market, seeing their highest ever GMV in July - up 80% on the previous month.

The average seller on the Newegg market place was down 10% in July 2020. The likely cause of the dip was that merchants sold out of the stock they had.



This occurred firstly because of the surge in demand, however the merchants were most likely unable to replenish that stock because of a cash shortage caused by delays in the payment cycle.

Liquidity was the key to Raysan's unprecedented surge in growth.

# The difference between revolving working capital and revenue finance

TradeBridge Seller Financing was created to support eCommercercers to strive for explosive growth. Our working capital is purpose-built for online retailers to grow and thrive in a fast-moving world.

TradeBridge understands the need for merchants to have the financial flexibility to quickly source the products in demand and deliver them to customers.

Our working capital facility is designed to offer both control and flexibility in both draw down and repayment of funds. See how we compare to alternative lenders that charge a fixed 6% fee.

TradeBridge Seller Financing	Alternative revenue finance model
Facility limit	Fixed loan amount
Draw down as much as you need, when you need it	The fixed sum is paid into your account on schedule
Make repayments as and when you choose to	Repayments are taken directly from a % of your sales, when you grow your repayments increase
Remain drawn, pause repayments with built in flexibility	You have no control over how much you repay
Interest is charged on your drawn balance	Interest is charged at fixed rate (e.g. 6% upfront)



The hidden risk of revenue finance for eCommercercers

If your repayments are based on your daily sales revenue, then you **do not** control the amount that you repay and when.

The interest rate on your working capital can sky-rocket if you experience the surge in growth that you're proactively striving to achieve.



*"In seizing your moment, ensure that it's your success that you're funding."*



## How explosive growth can impact revenue finance repayments

As revenue finance is directly controlled by your daily sales revenue, you don't control how much you repay or when.

### Consider this scenario:

- You source a popular seasonal product and achieve a surge in customer sales.
- Your increased sales are reflected in increased repayments under your revenue finance arrangement.
- Full repayment of your principal debt is completed in half the predicted term.

The result is that you have repaid your loan in full, with an annualised interest rate that is much higher than the interest rate on day one of your term, because your success and hard work has made the repayment term shorter. Your success has cost you dearly.



## A fixed repayment made from a percentage of your sales, can hurt your cashflow

"I've met eCommerce merchants working with alternative revenue finance providers who are very worried when I show them that under their current terms, being successful can actually increase their dependence on the working capital provided.

This is because the 15% of sales repayments is equivalent to their profit margin, and that cash never reaches their business.

At TradeBridge we proactively fund eCommerceers to succeed, we offer flexibility, transparency, a genuine understanding of the eCommerce industry and the goals of the people that work in it."

**Grant Fraser**

Global Head of eCommerce  
TradeBridge

## Try our rate comparison calculator

To support eCommerce entrepreneurs, we've created a calculator to compare TradeBridge eCommerce Seller Financing to revenue finance with a fixed fee. We can show you how a surge in growth can impact your interest rate.



f working capital