



## Supplier Cash Flow Service

Cllr Altany Craik, Economy Convener said:

*“Business groups and individual suppliers tell us the biggest challenge to fulfilling contracts with the council is finance. Suppliers need access to affordable working capital to support their cash flow challenges. So we’re working with Elcom, a long-standing procurement technology supplier to Scottish councils, to offer cost-effective finance to businesses, based on the purchase orders we issue.”*

### CASE STUDY: Musical Instruments Buy & Rent

## 1 THE SITUATION

After 40 years supplying instruments to schools, bands, orchestras and music clubs, Band Supplies wanted a solid cash flow stream. They were looking for a solution to secure easy and steady access to funds at an early stage of the procurement cycle.

“Elcom’s eFunding solution allows Band Supplies to access funds at purchase order stage which in turn increases our cashflow allowing us to be able to be more flexible whilst also covering our commitments and hopefully expanding and diversifying our business. ”

Ronnie Tenant,  
Managing Director



## 2 THE CHALLENGE

The instrumental tuitions are disappearing from the school curriculum due to the reduction in funding. This makes it essential to secure a positive cash flow faster.

With payment terms normally at thirty days it can be months after the order is placed before the payment is received. Delays in final payments are challenging in paying wages and securing stock but it can also stop us expanding at the speed we would wish.

How does late payment impact businesses negatively?

- Cash outflows bigger than inflows. No cash on hand.
- Struggle to keep and expand operations efficiently.
- Inability to pay employees’ salaries on time.
- Difficulty to fulfill all the orders or deliver on time.
- Harder to prepare an accurate cash flow forecast.
- Slows down business decision making process.
- Reduced capability of competitiveness.

## 3 THE SOLUTION

Driven by Elcom’s supply chain technology, the Fife Council Supplier Cash Flow Service advances funding at Purchase Order stage.

Currently, Band Supplies benefits from:

- FASTER FUNDS:** eFunding offers suppliers up to 80% of Purchase Order value and 100% of invoice value within 48 hours.
- BETTER RATES:** Finance charges significantly lower than those available from other lenders.

The process to join is simple!

- APPLY. Complete an online application.
- QUALIFY. Accept the offer of financing.
- RECEIVE. Advanced funding in 48 hours.



Band supplies has been in business for over 40 years and hold a vast stock of instruments and accessories from all the major manufacturers including Yamaha, Besson, Elkhart, Yanagisawa, Pearl, Azumi, Jupiter, Selmer, Trevor James, and many more ranging from inexpensive student instruments to the high end models. They supply to schools, bands, orchestras and music clubs in Scotland and England for sale or rent.



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