

# pencil.

## Use Case

How Nippy's et trading terms with new & existing customers to lock in the commercial relationship



### AT A GLANCE

**Use Case:**

Nippy's Natural Fresh Juices

**Business Type:**

Cold beverage supplier

**Sells to:**

Independent supermarkets, convenience & hospitality

**Tech Stack:**

DEAR, Xero, PencilPay

**Challenges:**

- Growing debtor days
- Slow Payment confirmation
- Tough to reconcile

**Benefits:**

- Decrease ave debtor days
- Netter commercial relationships
- Next day settlement

### CHALLENGES

Beverage wholesalers supply to retail & hospitality on a range of terms, from pre-paid to 30-day EOM.

14-days turns into 30-days and 30-days EOM can become 90-days. This creates cashflow constraints, however the most concerning effect is the strain it places on commercial relationships.

### PREVIOUS PROCESS

Nippy's would send out their stock with an invoice attached for the new customer, who would:

- not complete a credit application prior to accepting stock;
- not pay on the agreed trading term;
- require several attempts before contact was made and the account settled.

### THE SOLUTION

- Nippy's don't just use Pencil to onboard new customers. They onboard their exciting customers on payment terms too, limiting their biggest risk exposure and improving cashflow..... fast.
- New customers are out on pre-paid terms for several weeks before being given payment terms.
- They can automatically shift a customer from pre-paid to 14-days and re-issue a supply agreement in a matter of seconds.