

# Six things a Supplier will never tell you

Maintaining good relations with your suppliers should be as important as getting the best price. A good buyer-supplier relationship is a mutual partnership, a win-win scenario for the long term. A supplier who is treated with fairness will deliver a quality product at the best price, will provide good service, and will be responsive to emergency situations and special requests.

Although it is important to nurture open and honest relationships, there are some things that a supplier will never tell a buyer. Here we look at all the ways suppliers can impact your company by examining these seven things they definitely won't tell you:

1. **We are desperate for the next payment** – the payment of a single invoice might finance their next two orders, but at the risk of losing your business, suppliers will never tell you that they are desperate for the payment for their goods.
2. **We have a serious cash flow problem** – to admit that they are in financial trouble would jeopardise their relationship with you. Some payment term can put a huge strain on cash flow, but the supplier won't tell you that at the risk of the order being taken away.
3. **We may have difficulty in fulfilling the next order on time** – for whatever reason, your supplier may struggle to fulfil your order, they probably won't tell you that.
4. **We have reduced the quality of our product to cut our costs and maintain margin** – the pressure on working capital means suppliers are often forced into buying cheaper materials which ultimately affects the quality of the goods that you receive.
5. **We have a deadline for when we need to tell you about the price increase** – naturally, as the cost of materials increases, so does the price that is charged on to you. This is not always a subject that is easy to bring up until the last minute.
6. **Our price includes some high finance costs for maintaining working capital** – because of delays in payment, suppliers are often encouraged to source short terms finance to tide them over. This cost of finance is inevitably passed on to you.

**If only you knew just how weak your supply chain might be in certain areas!** If only every buyer knew that there were some very simple steps to considerably strengthening their supply chain and reducing risk. For a start, you could:

1. **Provide an early settlement option without needing to change payment terms** – with Crossflow's service, your suppliers can receive payment immediately without affecting your payment terms. Suppliers can quickly fill up the cash demand to fulfill your orders without risk of disruption caused by a shortage of working capital.
2. **Help suppliers access the cheapest alternative source of finance** – Crossflow's range of institutional funders can provide finance at competitive rate as they rate the credit at you. The additional working capital fosters healthier working relationships and a financially stronger supply chain.
3. **Participate in the cost structure of the supply chain** - offering competitive rates, stronger relationship with your suppliers and their tighter partnership with your business. They will value customers offering competitive solutions more than those who don't care of such supply chain sustainability as partnership.



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70 Gracechurch Street, London, EC3V 0HR,  
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