

Financing with a difference

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K5 Business
FINANCE

K5 Business Finance helped a fruit and vegetable wholesaler in Banbury to expand its facilities to introduce smarter working and increase profits through asset finance.

Case Study

David Bennett Fruitiers, Oxford

Instagram

dbfbanbury

Overview

DBF supplies fresh fruit, vegetables and salads to restaurants, caterers and retailers throughout Banbury and the surrounding Cotswold areas.

The third-generation family-run company has recently celebrated its 70th year of trading. Current owners David and Angela Bennett and their son Tom employ a close-knit team of employees.

Challenges faced by the company included the pricing volatility of produce, finding that a fruit for example can vary in price from 99p to £2.50 overnight. For this reason, customers didn't know what the price of an item would be when ordering the day before delivery.

The management team typically worked 19-hour days, getting up at 01:30 am to go to the market to buy produce and then working through the day dealing with customers and suppliers on the telephone.

An existing K5 Business Finance client recommended that DBF speak to us about asset finance to fund the changes to the business.

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“...a 15% increase in basket size to date”

The Brief

An injection of finance was required to buy equipment, improve facilities and instigate smarter working processes.

K5 Business Finance was to secure asset finance as a cheaper and longer-term solution compared to other finance options or the rental of equipment.

DBF wanted to go down the asset finance route rather than use cash because they wanted to keep capital in the business. Other finance options were far too expensive or impractical.

How K5 helped DBF

Automation

Buying and customer relations had always been conducted on the phone, which contributed significantly to the long working days. Transferring over to Fresho wholesale food ordering software transformed the process. Through automation, the software now manages the ordering, picking, invoicing and payments in one place. This has led to a 15% increase in basket size.

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Warehouse expansion

Having the finance to expand the warehouse has led to increased buying power and better economies of scale. DBF now have the facilities to store produce on-site rather than having to go to the market every day. Suppliers can deliver directly to them, and there is an option for 'click and collect' for customers. The new premises also allow customers to visit the site to see the produce for themselves before buying.

Coldroom

Asset finance enabled DBF to install a new cold room which has given the company the confidence to buy in bulk. It increases the longevity of the produce, thereby facilitating the capacity to fulfil more orders, and enabling DBF to secure bulk discounts.



Mark Kelly of K5 Business Finance with his customers David and Tom Bennett of DBF.

Equipment/capital assets

Through asset finance, DBF was able to source an electric-powered pallet stacker (EPPS) which is similar to a small forklift truck. There had previously been a lot of manual heavy lifting and double handling of produce when loading and unloading delivery vans. The EPPS has transformed this process, saving around 1.5 hours of labour a day, and is a better alternative for the well-being of the workforce.

The Process

K5 responded quickly to DBF's enquiry and set about learning as much as we could about the business, its drivers, growth plans and ultimate objectives.

We considered a wide range of asset funders, products and services to offer DBF a range of options for them to choose from based on our advice. Each provider has its own likes/dislikes, minimum and maximum lending, the type of industry they are comfortable lending to and the time over which they will lend funds.

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Client testimonial

"We cannot praise Mark at K5 enough. We first heard of Mark through one of our longstanding customers who has recently undergone a huge renovation project on their shop. We too were in the early stages of making some big changes which were both exciting but extremely daunting. We emailed Mark introducing ourselves and outlining our objectives given our imminent move to a new warehouse. Mark was incredibly attentive and took an immediate interest in our financial objectives and us as a business and a family. Mark has made what could have been an extremely stressful few months of transition feel seamless, always on hand to speak and always checking in with a genuine interest that spanned way beyond the assets we have acquired through his financing.

This is a time-consuming process that produces a lot of information for businesses to work through when searching for asset finance themselves.

Once the funder was decided, we liaised with suppliers to raise invoices. Upon agreement of the facility, we walked DBF through the paperwork, terms and conditions and pointed out their obligations.

We were able to provide additional services to DBF to aid in securing asset finance. This included assisting with supplier due diligence to give DBF peace of mind. Additionally, we consulted with our existing warehousing and distribution clients to seek advice on equipment recommendations for DBF.

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Client testimonial contd..

From an operational point of view, Mark has had a huge impact on our business. We were able to purchase a huge walk-in chiller facility and electric pallet stacker that has completely transformed the way we work. We found the level of due diligence on both purchases was outstanding and made us feel comfortable that we were in the right hands with Mark. “

Benefits to the Client

- Straightforward process – we explained all stages very clearly to DBF so that they were making informed decisions.
- The cold room and the EPPS have reduced labour and product supply costs, introduced efficiencies, and facilitated long-term growth.
- Having K5 search for and arrange the finance facilities saved DBF valuable time that they could spend concentrating on their core business activities.
- As a relationship-driven finance broker we were able to give DBF the peace of mind that we understood their business and would share their priorities when looking for products and funders.
- DBF had a choice of financial products to choose from which isn't always possible when receiving finance from a bank.



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