

# How RE Supply transformed cash flow and customer relationships with Billd

## Summary

For suppliers in the construction industry, offering credit to contractors seems like the silver bullet to selling more materials when your ideal customer is required to pay for materials long before they get paid for their work. Unfortunately, it comes with a slew of its own problems, as RE Supply realized firsthand. The industry-standard 30-day payment terms proved too short for their customers, but offering longer terms meant incurring more financial risk. "We already had some non-payers." RE Supply explained, a scenario no supplier wants to encounter.

## Customer Overview

Based in Reno, NV and launched in 2013, RE Supply is a leading solar materials provider, focusing on large commercial scale utility projects. Having acquired the Pacific Energy Alternatives team, they bring decades of solar, construction, procurement and sales experience to the table. As a business, they hope to revolutionize how solar installers of all sizes source their materials.



"Bildd allows our customers to get the materials they need when they need them. They solve a huge challenge in the market. We've seen explosive growth in the industry in exponential ways with Bildd. Some customers have grown by millions... We don't believe in predatory opportunities, we like win-win scenarios for everybody involved. And Bildd's process just made sense... Now our customers either pay with cash up front, or they use Bildd. It's had a huge impact."

**DANNY COX** | FOUNDER & CEO

## The Challenge

### A "Slow, Clunky" Credit Application Process

They did their best to vet contractors with a careful credit application process, but they were not well-positioned to function as a bank. From collecting references to underwriting and filing liens, it was cumbersome for the team, and some customers found the in-depth process somewhat invasive.

"To collect all the info we felt we needed was just a slow clunky process. We lost customers because of it. We didn't have the systems and processes in place that we should have. We needed a financing partner who could shore up levels of expertise we didn't have."

## Tension with Customers Over Lack of Payment

As a customer-first business, the last thing RE Supply wanted to do was taint their customer relationships with tensions surrounding credit. But when they offered in-house terms, some tension would inevitably arise.

"We want to provide as much value to the customer as we can, to be their champion and advocate. So it becomes uncomfortable when the credit terms have come and gone and you have to 'go after' someone for payment."

Tight cash flow from inconsistent payment cycles was a common reason why contractors were unable to make payments on time, and this longtime problem in the construction industry wasn't going anywhere. "It motivated us to look at other options." They wanted to find a third-party financing partner who could expertly take over customer credit management. This is how they found Billd.

## The Solution

Billd took the entire credit and underwriting process off of RE Supply's shoulders, vetting contractors, managing liens and paying for materials upfront on behalf of their customer. This gave RE Supply the freedom to return to doing what they do best: selling materials and building contractor relationships. Not only were they now able to offer contractors up to 120-day payment terms, but RE Supply no longer had to wait on contractors for payment. Billd pays them upfront, as soon as they make the sale.

## The Results

Since partnering with Billd, RE Supply has:

- Seen "Immense" improvement in DSO
- Helped give confidence to existing customers to bid on, and win larger projects, knowing they'll be able to procure the materials for the job.
- Helped residential contractors dive into the commercial space to take on larger commercial projects
- Enabled growth for contractors that would have otherwise been constrained, thanks to Billd's "project-based" financing approach

