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Technology is revolutionising supply-chain finance

IN 2015 Kiddyum, a small company from Manchester that provides frozen ready-meals for children, won a contract from Sainsbury's, a big British supermarket chain. Jayne Hynes, the founder, was delighted. But sudden success might have choked Kiddyum's cashflow. Sainsbury's pays its suppliers in 60 days; Ms Hynes must pay hers in only 30.

In fact Kiddyum gets its cash within a few days. Once approved by Sainsbury's, its invoices are loaded onto the supermarket's supply-chain finance platform, run by PrimeRevenue, an American company. The Royal Bank of Scotland (RBS) picks up the bills, paying Kiddyum early. Kiddyum pays a fee which, Ms Hynes says, is a small fraction of the cost of a normal loan. Sainsbury's pays RBS when the invoice falls due.

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