



# Albertsons uses C2FO to support suppliers and improve EBITDA

Albertsons Companies is one of the largest food and drug retailers in the United States with 2,260 stores across 35 states and operating under 20 banners that include Albertsons, Safeway and United Supermarkets. For the competitive food and drug retail market, innovation isn't optional. Albertsons has taken this to heart, focusing on optimizing everything from customer experience to cash management.



*"The more tools we have at play that help us use cash in a more productive manner gives us the power to control and mitigate outside influences."*

**Gregg Maxwell, CPA Group Vice President, Albertsons Companies**

## About Albertsons

Albertsons' shared services team took an outside-in approach to optimizing supplier relationships and adding value back to the bottom line.

### Outcomes included the following:

- Flexible cash management became the key to surviving market volatility.
- EBITDA improvement measured the success of innovative programs rolled out.
- Supplier adoption of the new finance program strengthened business relationships.

## The Challenge

Albertsons had built an effective cash management strategy, but since the food and drug retail industry is continually evolving, the company's strategy had to adjust with the landscape. Albertsons' price competition remains fierce, especially as more online giants enter the food retail category. Consumer preferences and expectations continue to vary not just for products, but services and experiences. Also, the industry faces volatility from rising costs, disruptions, tariffs, policy changes and economic profiles of consumers. This volatility also impacts Albertsons' suppliers that are critical for on-time delivery of quality products.



Despite these industry challenges, stakeholders of this leading retailer knew they could expect growth with an evolved cash management strategy that included the following:

### Controlled cash flow to suppliers

Consistent cash flow to suppliers was required to accompany recent terms standardization efforts.

### Improved EBITDA

Improvement in this key metric demonstrated overall gains in the company's financial performance.

### Increased financial flexibility

Flexibility was the key to combating unpredictable market volatility.

To meet these goals, Albertsons reviewed four ways to unlock the company's AP: supply chain finance, P-cards, sliding scale dynamic discounting and C2FO's Dynamic Discounting.



## The Solution

Albertsons wanted to meet its challenges with the most risk-free, growth-based funding solution available. The company saw an opportunity to enhance its cash management strategy by leveraging accounts payable.

### C2FO's solution delivered in five areas:

1. Proven track record of supplier adoption, and all supplier support was provided by C2FO.
2. Ability to generate substantial returns to impact EBITDA metric.

3. Strong recommendations from peers, in addition to its existing supplier base.
4. Quick program launch, avoiding any internal process changes from any department.
5. Financial flexibility to manage against the volatility in the food and drug retail sector.

## The Results

Albertsons' marketplace through C2FO received overwhelmingly positive feedback from suppliers that valued affordable access to early payment and a clear view of their accounts receivable.

## By the Numbers

2.5X

### Greater Than Expected Return

Albertsons generated discount income immediately after the program launch.

3

### Months to ROI

Returns from the program launch were the strongest of any of Albertsons' partnerships.

0

### Headcount Required

C2FO provided supplier support and management of the program to ensure it met and exceeded goals.

80%

### Higher Than Targeted Adoption

Supplier adoption exceeded expectations with all onboarding performed by C2FO.

8

### Weeks to Launch

C2FO executed the implementation, requiring only a simple file exchange from Albertsons' ERP system.



### About C2FO

C2FO is the world's on-demand working capital platform, providing fast, flexible and equitable access to low-cost capital to nearly 2 million businesses worldwide. Using patented Name Your Rate<sup>®</sup> technology and a suite of working capital solutions, companies can get paid sooner by the world's largest enterprises – unlocking billions in risk-free capital. C2FO's mission is to ensure that every business has the capital needed to thrive and has delivered more than \$220 billion in funding around the world. Founded in 2008 and headquartered in Kansas City, USA, with offices around the globe, C2FO is working to build a better, more inclusive financial system every day.

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