



Unlocking lending opportunities with better insights

With Plaid, Flexport uses financial insights to finance more of clients' inventory and logistics costs



32%

The average credit limit for clients who share bank data via Plaid is 32% higher than those who upload documents manually.

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JUSTIN SHERLOCK
Head of Flexport Capital

Problem

Flexport needed more timely information to meet their clients' full financing needs.

Solution

With Plaid, Flexport gained access to user-permissioned bank account balances and transaction history, helping them better meet client financing needs and ultimately unlock growth for more clients.

Results with Plaid

Flexport reports the following results with Plaid:

32%	The average credit limit for Flexport users who share bank data via Plaid is 32% higher than those who upload documents manually.
0.4%	Flexport clients that connect to Plaid have annual interest rates an average of 0.4% lower than the rest of the portfolio.
60%	60% of Flexport's portfolio balance is from clients who are connected via Plaid.

Founded in 2013, Flexport helps their clients take the hassle out of international freight shipping by providing an end-to-end platform that streamlines communication between those involved in the shipping process, while also allowing cargo owners to track shipments in real time. One of the industry's fastest growing players, Flexport's sales reached a record \$3.3 billion in 2021, up from \$1.3 billion in 2020 and \$670 million the year before.

0.4%

Clients connected to Plaid have interest rates an average of 0.4% lower than the rest of the portfolio.

In July of 2021, Flexport launched Flexport Capital as a way to help cash-strapped, growing importers access cash tied up in their supply chain. Flexport started off with a more traditional underwriting and credit-decisioning process, but soon realized that in order to more accurately meet their clients' financing needs they needed access to better data.

That's when they turned to Plaid.

A faster, more secure way for borrowers to access capital

Together with Plaid, Flexport implemented a more real-time financial monitoring approach. Instead of waiting for updated financials or bank statements, which can only be provided on a monthly basis, Flexport uses Plaid to understand their client's financial health in real time.

Through Plaid, Flexport's Credit team can see client bank account balances and analyze changes over time to understand clients' respective liquidity profiles. If Flexport notices a concerning trend for a particular client, they can take a deeper look into that client's transaction history to identify the specific transactions driving the trend.

For Justin Sherlock, Head of Flexport Capital, having insight into this data is key to making faster, more informed lending decisions.

"With Plaid, we can see all client bank account balances in a single table in our BI tool and easily monitor borrower cash flow. It's really helpful for managing riskier exposures, performing more frequent covenant compliance checks, and extending credit more aggressively than we would otherwise be comfortable with," explains Sherlock.

With access to more real-time bank data, Flexport can minimize risk and offer loans that it otherwise might not have felt comfortable with. In addition to helping Flexport manage risk more effectively, Plaid helps Flexport Capital's clients by reducing the effort involved in ongoing reporting.

"With bank accounts connected to our platform through Plaid, our clients don't have to worry about downloading and sending bank statements for all accounts on a monthly basis."

JUSTIN SHERLOCK
Head of Flexport Capital

"Our clients, particularly the larger ones," Sherlock continues, "often have several bank accounts, which can make ongoing bank statement reporting tedious. With bank accounts connected to our platform through Plaid, our clients don't have to worry about downloading and sending bank statements for all accounts on a monthly basis."

In fact, the credit limit for Flexport clients that connect with Plaid is an average of 32% higher than those who choose to upload documents manually. Additionally, on top of higher credit limits, Flexport Capital clients who use Plaid also have an interest rate that's 0.4% lower on average than the rest of their portfolio.

“Plaid was the first company mentioned when we talked about bringing in a third-party data partner to help with our credit decisions.”

JUSTIN SHERLOCK

Head of Flexport Capital

Driving client growth through transparency

Once a client links a financial account, Flexport uses Plaid to access up to 24 months of transaction data, including merchant and category information. This allows Flexport to better understand their clients' spending behavior, cash flow, and more. Plaid also enables Flexport to get a historical view of clients' transactions, creating a more seamless lending experience.

“Plaid was the first company mentioned when we talked about bringing in a third-party data partner to help with our credit decisions. We've been partnering with them for 3 years. They allow us to see what's going on in a client's bank accounts so that we can see their actual cash position,” says Sherlock.

Raising the bar in the supply chain & logistics industry

Building on its early success and new \$8 billion valuation, Flexport is on the way to becoming one of the world's most important technology platforms for supply chain and logistics. To help Flexport realize this opportunity, Plaid is enabling them to meet more of their clients' financing needs. The Flexport Capital team aims to serve clients in a growing number of countries, and Plaid's expanding international coverage will ensure they can maintain rigorous credit monitoring as they expand.

15%

15% of Flexport's portfolio balance now comes from clients who connected via Plaid.

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Plaid powers the digital finance solutions that enable millions of people to live healthier financial lives. Trusted by 6,000+ of the world's leading companies and connected to 12,000+ financial institutions across the US, Canada, UK, and Europe, Plaid's mission is to unlock financial freedom for everyone.

Ready to build the future of digital finance? Reach out to our sales team at info@plaid.com.