This 2017 Supply Chain Finance Analyst Report is part of Strategic Treasurer’s annually produced Analyst Report Series.
Since Strategic Treasurer was founded in 2004, we have helped hundreds of corporate clients face real-world treasury issues. Our senior consultants have practical, hands-on experience in corporate treasury environments and have held senior management and leadership roles across numerous industries. Strategic Treasurer’s consultants are known not only for their expertise in the treasury space, but also for their responsiveness to client issues, thorough follow-through on every project, and deep understanding of the industry. Our focus as a firm centers on maintaining true expertise in the treasury space, which is accomplished through a combination of annual industry surveys, industry discovery meetings, and insightful discussions with both corporate clients and treasury technology vendors. As a result, our awareness of the market is both global in scope and rich in detail.
# Contents

## 01 INTRODUCTION
- Purpose of Report .............................................. 4

## 02 CURRENT ECONOMIC CONDITIONS: THE MARKET CASE FOR SCF
- The Effect of a Global Economy ................................. 5
- Economic Impact on Market Segments ......................... 5
- The Effect on the Supply Chain ................................. 7
- The Market Case for Supply Chain Finance ...................... 7

## 03 DEFINING SUPPLY CHAIN FINANCE .............................. 8

## 04 THE EVOLUTION OF SUPPLY CHAIN FINANCE
- Starting Out ......................................................... 9
- 2008 Financial Crisis ............................................... 9
- 2008 Onward: Democratization of Technology ................. 10
- A Market Crossroads: Banks vs Fintech Firms ............... 10

## 05 COMMON APPROACHES TO SUPPLY CHAIN FINANCE
- Traditional SCF (Reverse Factoring) .......................... 13
- Dynamic Discounting .............................................. 15
- Hybrid SCF Approaches ......................................... 17

## 06 BENEFITS OF MODERN DAY SUPPLY CHAIN FINANCE
- Working Capital Optimization & Liquidity Management ........... 18
- Risk Mitigation .................................................... 19
- Reputation ......................................................... 19
- Technological Benefits: SaaS-Based SCF ....................... 20

## 07 CHALLENGES TO SUPPLY CHAIN FINANCE
- Legal and Jurisdictional Issues Across Global Supply Chain ........ 21
- Ensuring Supplier Participation .................................. 21
- Corporate Departmental Conflict ............................... 22

## 08 SUPPLY CHAIN FINANCE BY REGION .......................... 24

## 09 A SCF CHECKLIST ............................................... 26
- Consult or Create a Working Capital Council
- Establish a Single Set of KPIs & Objectives for the SCF Program
- Understand Your Suppliers
- Research ALL the Options
- Plan for the Costs
- Communicate the Changes & Establish Training
- Monitor Usage & Refine the Approach

## 10 WORKS CITED .................................................. 52

---

### VENDOR COVERAGE & ANALYSIS

- Kyriba ................................................................. 28
- SAP Ariba ........................................................... 36
- Taulia ................................................................. 44

**VENDOR SEGMENTS INCLUDE:**
- Company Overview
- Company Snapshot
- Headlines & Awards
- Product Overview
- Product Functionality
- Strengths
- Case Study
- Customer Support
- Company Progression
- Implementation
- Client Training
- Global Spread
INTRODUCTION

Purpose of Report

PURPOSE OF REPORT

Supply chain finance is becoming an increasingly popular topic in treasury. While supply chain finance programs have been around for years, the solutions available today have begun to see heightened attention in the business environment as working capital and risk management take on greater importance for firms. Due to increased interest and demand, the SCF industry is undergoing a period of rapid growth. However, a problem this rapid growth has created is a lack of awareness for corporate practitioners, many of whom have been unable to keep up with the evolution occurring in the space.

The elevated need and interest surrounding supply chain finance technology, coupled with its rapid growth and evolution, has highlighted a clear need for resources that provide a thorough analysis of the industry as it exists today. This report will aid organizations in furthering their understanding of supply chain finance, with coverage that includes:

- **ECONOMIC SITUATION**: An overview of the economic conditions that have led to the need for SCF technology.
- **DEFINITION**: Defining supply chain finance as it exists today.
- **SCF EVOLUTION**: How supply chain finance has evolved into its current form.
- **SCF APPROACHES**: An overview of various SCF techniques, including dynamic discounting, reverse factoring, and hybrid approaches.
- **BENEFITS**: An outline of the benefits provided through the use of SCF technology.
- **TOP CHALLENGES**: Analysis of the top challenges faced when adopting a SCF program.
- **SCF BY REGION**: The state of the SCF industry in each world region is analyzed.
- **SCF CHECKLIST**: A checklist of items to consider when looking to implement a SCF solution.
- **VENDOR ANALYSIS**: An accurate picture of the SCF technology landscape, with in-depth analysis of some of the leading fintech providers and their position within the industry.

Supply chain finance is discussed and evaluated with a focus on fintech providers as opposed to a bank view. Fintech providers have caused a major disruption within the industry in recent years, and are rapidly expanding their scope of influence and garnering a greater market share. However, there remains relatively low market awareness of these solutions and the capabilities they provide, as their role in the SCF landscape is still evolving.
CURRENT ECONOMIC CONDITIONS: THE MARKET CASE FOR SCF

THE EFFECT OF A GLOBAL ECONOMY

As technology and global business processes have evolved, it has grown increasingly easy for organizations worldwide to expand, connect, and interact with one another. The result is that organizations are now more global than ever before. According to data obtained from Strategic Treasurer’s 2016 Global Payments Survey, 83% of respondents’ businesses were operating in more than one country, and 38% were operating in 20+ countries.

This globalization, as evidenced through recent events, can be a double-edged sword. On one hand, growth and stability in one region can contribute to economic health and prosperity worldwide, as organizations from different regions can capitalize on new business opportunities. Alternatively, economic instability and turmoil in one region will have adverse effects globally as businesses with foreign exposure are impacted.

ECONOMIC IMPACT ON MARKET SEGMENTS

In recent years, there have been several significant events, most notably the financial crisis of 2008, that have had a major impact on the global business environment. As a result of these events, the methods by which businesses interact with one another have changed. In addition, due to the interconnectedness of today’s organizations, the changes that occur in one market segment have a large impact on the other segments. For instance, consider how the 2008 financial crisis impacted banks. As a result of the crisis, a number of new regulations were introduced, such as Basel III and Dodd-Frank, that placed more stringent requirements on banks. Subsequently, banks have been forced to de-risk their balance sheets and are now much more cautious about whom they do business with. Because of this, smaller companies that are deemed less creditworthy and subsequently more risky by banks are finding it more difficult to obtain loans and face high interest rates when borrowing money. This has made it more difficult for small companies to acquire capital, and as a result, many small firms struggle to gain the cash they need to grow. In this way, the regulations that impacted the banking environment also had a large effect on the operations of small companies.

The Globalization of Business: According to data obtained from Strategic Treasurer’s 2016 Global Payments Survey, 83% of respondents’ businesses were operating in more than one country, and 38% were operating in 20+ countries. Additionally, at least 30% of respondents were operating in each of the major world regions.
CURRENT ECONOMIC CONDITIONS: THE MARKET CASE FOR SCF

### Market Profiles: Large Buyers, Small Suppliers, & Banks

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FORTUNE 500 FIRMS</strong></td>
<td>For some of the world’s largest organizations, the current business environment has resulted in the stockpiling of massive amounts of cash. While one of the root causes for this tactic could be to avoid taxes on money being brought back into the U.S. (and thus stockpiling it overseas), many also see it as a strategy for ensuring that future economic crises do not result in a draw on cash. In either case, these firms are cash-rich, and many have begun looking for opportunities to put their cash to work. For those that are involved in a supply chain, these companies tend to be buyers with thousands of globally distributed suppliers.</td>
</tr>
<tr>
<td><strong>LARGE GLOBAL BUYERS</strong></td>
<td>As the world’s largest organizations stockpile cash, the situation faced by many other large firms is one of increasing debt. For those with favorable credit ratings, low interest rates offered by banks have caused many firms to borrow in greater quantities. The result is that corporate debt skyrocketed to $51 trillion in 2016 and is expected to reach $75 trillion by 2020. As debt continues to rise, these firms face increasing pressure to generate returns on their cash, which is causing them to place greater emphasis on working capital management. As many of these firms are buyers, working capital strategies often involve extending payment terms with suppliers in order to hold onto cash for longer.</td>
</tr>
<tr>
<td><strong>SMALL SUPPLIERS</strong></td>
<td>For small and mid-sized enterprises (SMEs), the largest issue currently being faced is an inability to acquire capital. For these organizations, their smaller size and lower credit ratings makes it difficult for them to receive affordable financing from banks. At the same time, many of these SMEs that act as suppliers for larger firms face lengthy payment terms that require them to wait months before being paid. The result is that many SMEs lack the financing they need to meet the daily costs of business. As funding from banks and large corporate buyers has become harder to obtain, the World Bank Group estimates that over 50% of SMEs across the globe lack access to finance, which is stifling their ability to grow.</td>
</tr>
<tr>
<td><strong>BANKS</strong></td>
<td>For banks, the current landscape is one of heightened regulatory and compliance-related expectations. Many new regulations, such as Basel III, were created to address weaknesses in the banking sector that became apparent because of the crisis. To comply with these regulations, banks have been forced to de-risk their balance sheets and become much more risk-averse. As a result, banks are now more cautious about whom they lend to, and have become particularly wary of lending to smaller companies with lower credit ratings. However, they have been more than willing to lend to larger companies with higher credit ratings.</td>
</tr>
</tbody>
</table>

---

As the world's economy has evolved, different segments of the market have been affected in unique ways.

---

*2016 Global Corporate Debt Demand. S&P Ratings Global.*
THE EFFECT ON THE SUPPLY CHAIN

The unique challenges currently facing buyers, suppliers, and banks have had a major impact on how companies interact in the supply chain. As many large buyers look to protect their working capital, they have begun pushing lengthier payment terms onto their suppliers. For many companies, lengthening payment terms provides the chance to hold onto their cash longer for use in other areas of the business. This issue has been elevated in recent years, as minimal interest being earned in the market causes companies to wait longer to maximize returns. However, this means that suppliers must wait excessive amounts of time before being paid. In 2016, the average Days Payable Outstanding (DPO) worldwide was 64.5 days, with a low of 51 days in North America and a high of 75 days in South America. Suppliers are usually powerless to stop these conditions, as they risk losing their business relationship with buyers if they refuse terms. Additionally, with banks wary of lending to these non-creditworthy companies, opportunities to acquire capital are scarce. Instead, many SME suppliers are forced to cut costs and limit growth in order to make ends meet. According to the 2016 European Payment Report published by Intrum Justitia, 41% of SME respondents indicated that late payments from buyers prohibit their growth. Furthermore, 35% of SMEs said that not getting paid in time is threatening to the survival of their company. As the average DPO in Europe stood at 59 days in 2016, it stands to reason that the issue of late payments in regions such as Asia and South America, where the average DPO was between 70-80 days, would affect SME suppliers even more.

THE MARKET CASE FOR SCF

Ideally, the situation faced by buyers, suppliers, and banks would look much different. Buying organizations would be able to ensure that the SME suppliers in their supply chain had easy access to capital, while they themselves would be able to extend their payment terms and hold onto cash for longer. Or, buyers with available cash would have opportunities to pay their suppliers early or on time, and generate returns in the form of early payment discounts. These discounts would provide returns competitive with those found through alternative investments. On the supplier side, capital would be easily obtained, and companies would have plentiful opportunities to receive financing from both buyers and banks. Enter in supply chain finance.

DPO By Region: According to data obtained from S&P, the average Days Payable Outstanding (DPO) worldwide in 2016 was 64.5 days, or just over two months. Regional DPO ranged from a low of 51 days in North America to a high of 75 days in South America.

Supplier Payment Struggles: The graphic to the right highlights several key data points taken from Intrum Justitia, Strategic Treasurer, and World Bank Group surveys that pinpoint just how large of an impact lengthy payment terms can have on the wellbeing of suppliers.
An interesting conundrum currently affecting the supply chain finance landscape is that there are several different definitions in play. If you run an online search for “supply chain finance,” you will find an array of pages that each provide their own unique description of what the term refers to. While some groups assert that supply chain finance refers only to a single financing technique, others use it as an umbrella term that covers an assortment of approaches.

Moving forward, there have been efforts to create one standard definition of supply chain finance that encompasses all the solutions and techniques currently used within the market.

The Euro Banking Association has recently released a holistic definition of supply chain finance that it hopes will become a flagship description and is the definition that we will use for this report. Using this definition, supply chain finance is characterized as “the use of financial instruments, practices, and technologies to optimize the management of the working capital and liquidity tied up in supply chain processes for collaborating business partners.”

- Euro Banking Association
THE EVOLUTION OF SUPPLY CHAIN FINANCE

STARTING OUT
In the early years of supply chain finance, developments that occurred just before the turn of the century saw large financial institutions begin offering what is known today as “traditional” supply chain finance or reverse factoring programs as an extension of their banking services. These programs began catching on in the early 2000s but at the time were used only by large companies and a select number of their top suppliers. As the benefits and potential of supply chain finance were still largely unknown, traction of these bank-led programs was limited during their early years.

2008 FINANCIAL CRISIS
In the years leading up to the 2008 financial crisis, advancements in technology, coupled with the continued globalization of the economy, had made the use of supply chain finance solutions relevant for many organizations. At the time of the crisis, there were already many banks and several fintech firms offering supply chain finance programs. But while the market adoption rate had increased, SCF’s impact on the business environment was still limited.

However, as a result of the 2008 crisis, firms began placing a much greater emphasis on working capital optimization and risk management - two major business components whose neglect widely contributed to the downfall of many firms during the crisis.

As it stands today, the opportunity to optimize working capital and effectively manage risk are two of the most widely recognized benefits that can be obtained through the adoption of a supply chain finance program. Resultantly, supply chain finance solutions have vastly grown in popularity over the past decade.

Traditional supply chain finance solutions began to be offered primarily by banks to large corporate buyers beginning in the late 1990s and early 2000s.

Before the 2008 financial crisis, a number of large buyers had implemented bank-led SCF programs with a select number of their top suppliers.

The 2008 financial crisis resulted in a growing emphasis on working capital management and risk mitigation practices. Firms began looking for ways to enhance working capital and mitigate risk.

The fallout from the financial crisis brought supply chain finance into the spotlight. As interest in SCF programs rose, a growing number of vendors entered the market.

In recent years, much of the innovation in the SCF industry has been driven by fintech firms, who have disrupted the traditionally bank-led landscape with SaaS-based options and expanded functionality.

It was recently announced that several companies plan to introduce blockchain-based SCF solutions to the market within the next several years.
Democratization of Technology

2008 ONWARD: DEMOCRATIZATION OF TECHNOLOGY

In recent years, one of the major factors that has contributed to growth within the SCF industry is the increased availability of SCF platforms for mid-market and SME firms. Early on, the banks that were offering supply chain finance platforms tended only to target large corporate buyers and their most credit-worthy suppliers, as this segment was where the majority of profits were to be found. As it was deemed uneconomical or too risky by financing institutions to onboard SME suppliers to their SCF programs, a large portion of the corporate market was unable to participate, which stifled growth.

However, as the market has developed, new solutions and solution providers have been introduced that are targeting organizations of all sizes, instead of only large firms. In recent years, it has been fintech firms that have been responsible for a large portion of the innovation and development that has occurred and that has allowed SME and mid-market firms to increasingly participate in SCF programs.

One factor that has contributed to this democratization of SCF technology is the arrival of SaaS-based platforms. While

Software-as-a-Service (SaaS) technology has been around for some time now, its entrance into the SCF landscape has been a more recent development. With the arrival of SaaS to supply chain finance, the landscape is beginning to transition towards solutions that offer online marketplaces where buyers, suppliers, and banks can all conduct commerce. These networks, when compared to their proprietary counterparts, provide easier connectivity options, cheaper onboarding and implementation costs, and more efficient communication and interaction across the supply chain.

A MARKET CROSSROADS: BANKS VS FINTECH FIRMS

As the market experiences elevated interest and an increased need for SCF solutions, and as vendors seek to meet demand, the industry is undergoing a period of rapid evolution. As this evolution occurs, there appears to be a growing shift away from bank platforms and onto fintech platforms. While banks still dominate a large segment of both emerging and developed markets, it is undeniable that the popularity of fintech solutions is disrupting the industry and forcing many financial institutions to adapt in order to stay competitive.

For the world's largest financial institutions, large capital reserves coupled with deep client relationships gives them a competitive advantage. Many of these institutions are those that have been offering SCF programs for decades and were able to win over clients before other vendors entered the market. These institutions are continuing to cross-sell their SCF services to their vast network of existing clients. Also, in regions where supply chain finance has yet to mature, it is these global banks that can fund largescale entrances into the market and begin onboarding new clients before their competitors can follow suit. Furthermore, companies in need of direct financing to support their SCF program may choose to rely on their primary bank relationships to deliver the full scope of SCF services rather than implement a 3rd party solution.

For regional and domestic banks with fewer assets, it has been more difficult to keep pace with the rapid expansion of fintech firms. These banks tend to have strong relationships with clients in certain regions but are not able to expand their scope of influence as effectively as their larger counterparts. In many cases, smaller banks do not have the resources to build or manage their own SCF program. For these institutions, it makes more sense to partner with fintechs or larger banks and provide 3rd party funding through their program.

On the other side, fintech providers have proven effective at offering flexibility to clients. This is especially true with regards to supplier onboarding. Whereas bank-led SCF programs typically are not feasible for a buyer’s entire supply chain, fintech solutions allow for the “long tail” of suppliers – the SMEs that are normally not provided access to bank-led SCF platforms – the ability to be onboarded. This is done by offering a range of SCF techniques, such as reverse factoring and dynamic discounting, that buyers can make use of simultaneously for different segments of their supply chain. This subsequently results in higher supplier participation rates - a critical piece of the puzzle for buyers looking to extract the most value out of their SCF program. At the same time, the online, SaaS-based networks offered by today’s fintech vendors provide quick onboarding processes that can have practically all a buyer’s suppliers uploaded to the system in a matter of weeks. Thus, the ease with which fintech providers can onboard suppliers and the non-discriminatory nature by which suppliers can participate have been major contributing factors behind the growing success of fintech solutions.

Beyond supplier participation, fintechs are pushing the
envelope on the scope of functionality offered through their platform and have begun to include e-invoicing, e-payment, document management, and other components of the procure-to-pay cycle as part of their solution. These functionalities are coupled with interactive user interfaces and the ability to access the system through an online portal. This enables buyers and suppliers to complete virtually every step of their transactions centrally, which helps streamline processes, drive down costs, and reduce complexity.

While there has been cooperation between banks and fintech firms in the SCF space, especially in the funding arena, the sparring between financial institutions and fintech firms will continue as both sides struggle to gain a greater market share. According to McKinsey, banks held approximately 85% of the global SCF market in 2015, compared to 15% for fintech solutions. However, just over a decade ago in 2005, banks held approximately 95% of the market, and fintechs held just 5%. While banks will continue to be major players, it is clear that fintech providers have disrupted the industry in a major way.

According to McKinsey, banks held approximately 85% of the global SCF market in 2015, compared to 15% for fintech solutions. However, just over a decade ago in 2005, banks held approximately 95% of the market, and fintechs held just 5%.

**Figure 6**

According to McKinsey, banks held approximately 85% of the global SCF market in 2015, compared to 15% for fintech solutions. However, just over a decade ago in 2005, banks held approximately 95% of the market, and fintechs held just 5%.

**A Market Crossroads: Banks vs Fintech Firms**

<table>
<thead>
<tr>
<th>Banks</th>
<th>Fintech Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markets held 85% of the market in 2015 compared to 95% in 2005. (McKinsey)</td>
<td>Fintechs held 15% of the market in 2015 compared to just 5% in 2005. (McKinsey)</td>
</tr>
<tr>
<td>Plentiful cross-sell opportunities to existing clients</td>
<td>Offer a wide range of SCF solutions &amp; techniques</td>
</tr>
<tr>
<td>Large amounts of capital for R&amp;D, expansion</td>
<td>Encourage participation of entire supply chain</td>
</tr>
<tr>
<td>Lack the flexibility of fintech solutions</td>
<td>Built-in functionality to support entire procure-to-pay cycle (e-invoicing, e-payments)</td>
</tr>
<tr>
<td>Cannot always onboard small, non-creditworthy suppliers</td>
<td>Lack the capital reserves that banks maintain</td>
</tr>
</tbody>
</table>
With regards to supply chain finance as a whole, there are a number of approaches used by organizations. These include both accounts payable-centric, buyer-led programs such as reverse factoring and dynamic discounting, and accounts receivable-centric, supplier-led approaches such as traditional factoring and forfaiting. While each of these approaches technically falls under the “supply chain finance” umbrella, this report will focus primarily on traditional supply chain finance and dynamic discounting.

### COMMON APPROACHES TO SUPPLY CHAIN FINANCE

<table>
<thead>
<tr>
<th>BUYER-LED SCF</th>
<th>SUPPLIER-LED SCF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reverse Factoring</strong></td>
<td><strong>Traditional Factoring</strong></td>
</tr>
<tr>
<td><strong>Dynamic Discounting</strong></td>
<td><strong>Invoice Discounting</strong></td>
</tr>
<tr>
<td>The above approaches will be discussed at length in the following pages of the report.</td>
<td><strong>Forfaiting</strong></td>
</tr>
</tbody>
</table>

### THE UMBRELLA OF SUPPLY CHAIN FINANCE

<table>
<thead>
<tr>
<th>CONSOLIDATION OF TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUYER-LED (Initiated by the buyer)</td>
</tr>
<tr>
<td>Accounts Payable-Centric (The buyer's payables are used as collateral in a financing agreement)</td>
</tr>
<tr>
<td>EX: Reverse Factoring</td>
</tr>
</tbody>
</table>

### RELATED APPROACHES

- Asset-Based Lending
- Documentary Trade Finance
- Bank Payment Lending

---

*Figure 7*
TRADITIONAL SCF (REVERSE FACTORING)

A traditional supply chain finance model typically involves 3-4 parties:
- A buyer
- A supplier or suppliers
- A financial institution(s) or 3rd party funder(s)
- In many cases, a 3rd party technology firm will provide and manage the SCF solution

Using a traditional SCF approach:

- **Step 1:** A corporate buyer and some or all of their suppliers will be onboarded to a SCF program. In most circumstances, buyers will offer traditional SCF to a group of their top, most creditworthy suppliers, rather than their entire supply chain.

- **Step 2:** Once the buyer purchases supplies and the invoice is processed, the buyer’s financing institution or 3rd party funder is notified and then provides early payment to suppliers on behalf of the buyer (e.g. if the payment terms between the buyer and supplier called for payment within 30 days, the financing institution might pay the supplier in 15 days).

- **Step 3:** In exchange for receiving early payment, suppliers will provide a discount to the financing institution. Suppliers are generally willing to accept this trade-off because the rate of financing offered to them is based off the credit of the buyer. For instance, a supplier that may be faced with 5% interest rates for direct financing from a bank can receive a 2-3% rate through the SCF model, as large buyers typically have better credit ratings than their smaller suppliers. This 2-3% rate would appear in the form of a discount on the total cost of goods purchased.

- **Step 4:** After the financial institution pays the supplier, the buyer is then free to negotiate new payment terms with the financial institution and extend their DPO beyond what would be feasible with a supplier. For example, their new terms might allow for payment after 120 days, rather than 30. This allows the buyer to hold onto their cash for longer and use it for other business purposes.

- **Step 5:** When the buyer pays the financing institution, they pay the full cost of invoices instead of the discounted rate provided by the supplier to the financing institution.

In this way, the financial institution or 3rd party funder generates a return on their loan.

Given that traditional SCF is based on the credit of the buyer (or the strength of the outstanding invoices), it tends to work most effectively when the buyer has a higher credit rating than the supplier. Resultantly, the rate of financing available through the financial institution is attractive to the supplier. This will generally be the case when suppliers are smaller than their buyers and are subsequently viewed as riskier by financial institutions and thus face lower credit ratings and higher interest rates.
Traditional SCF (Reverse Factoring) - Benefits

**BENEFITS**

The benefits of reverse factoring extend to each party involved in the transaction.

- **Suppliers:** Suppliers can gain access to capital much earlier than normally would be the case and can subsequently lower their Days Sales Outstanding (DSO), which ultimately means they get paid sooner. While the receipt of early payment comes at the cost of a discount, the cost of financing they receive through the SCF program is more affordable than they would be able to receive on their own. Thus, they come away with comparative gains.

- **Buyers:** On the buyer side, companies are able to forego payment for much longer than would normally be the case, which subsequently increases their Days Payable Outstanding (DPO) and allows them to manage working capital levels by holding onto their cash for longer periods of time. This allows them to either extend the length of investments and generate larger returns or pay off other cash outflows.

- **Financial Institution/Funder:** The participating financial institution in a traditional SCF transaction also benefits, as they provide payment to the supplier on behalf of the buyer at a discounted rate, but end up receiving payment in full from the buyer at a later date, thus walking away with a net profit. In this way, banks/funders earn a return on a relatively risk-free transaction.

**Traditional SCF programs tend to be most successful for large corporate buyers who would prefer to hold onto their cash for longer in order to meet short-term liabilities and cash outflows or to generate greater returns on cash through investments in the market.**
Dynamic Discounting

Dynamic discounting usually involves three distinct parties:
- A buyer
- A supplier or suppliers
- A 3rd party technology firm that manages and maintains the SCF platform

Dynamic discounting maintains some similarities with reverse factoring in that it is a form of accounts payable-centric financing that is buyer-led. However, dynamic discounting programs are often self-funded, meaning the buyer uses their own available cash to pay suppliers directly. In addition, dynamic discounting solutions are solely offered by fintech firms because they do not require the participation of a bank or financing institution.

The aim of dynamic discounting for buyers is not to extend payment terms. Instead, buyers accept the drop in DPO in exchange for receiving early payment discounts. Dynamic discounting involves the use of a sliding discount structure that provides larger discounts on invoices the sooner that they can be paid off. Thus, the earlier that buyers can pay their suppliers, the greater the discount they receive. This sliding discount approach differs from the standard “hit-or-miss” structure, in which buyers are given a discount if they can make payment within a short time window (e.g. within 10 days for a 30-day pay period [2/10 net 30]). The problem here is that not all buyers can meet this early-pay window because it takes many companies longer than ten days to process an invoice. Thus, they would miss the discount window and have no further motivation to pay their suppliers early. This issue is solved with the sliding structure, as buyers can receive a discount at any point prior to the payment due date and thus always have an incentive to provide early payment.

Benefits

Buyers: The major benefit of dynamic discounting for buyers with available cash is that the entire operation can be self-funded. This approach is valuable for firms because the returns available through discounted invoices are just as high if not higher than what they could generate through alternative investment opportunities in the market. For reference, many of the fintech firms that offer dynamic discounting solutions report invoice discount rates that average anywhere from 4-7% over the course of payment terms. Given that this form of return is practically risk-free, the ability for buyers to inject liquidity into their supply chain and receive high returns is an incredibly valuable opportunity.
the creditworthiness of a supplier. This ensures that any supplier a buyer would like onboarded, regardless of their size or creditworthiness, can participate in the program.

**Suppliers**: The fact that there are no strict restraints on who can participate in a dynamic discounting program represents a major benefit for suppliers as well, as they do not run the risk of being denied access to the program. The fintech firms generally offering dynamic discounting can onboard virtually any supplier, and thus, dynamic discounting programs generally result in very high supplier participation rates.

**Dynamic Discounting - Benefits**

Using dynamic discounting, buyers accept the drop in their DPO in exchange for early-pay discounts from their suppliers.
**HYBRID SCF APPROACHES**

While the idea of injecting their own cash into their supply chain is attractive to many organizations, not all companies have the necessary capital to self-fund their entire supply chain finance program. On the other hand, the idea of having 3rd party funders pay suppliers early represents a major benefit for many buyers, but as only a limited number of suppliers would be able to participate in such a program, buyers need a solution that offers additional financing options. In each of these cases, the functionality offered through a single supplier financing technique does not cover the full range of needs that buyers and their suppliers have.

Historically, this issue represented a major problem for organizations and was addressed by either using multiple SCF programs or by only allowing participation in the SCF program to a specific subgroup of suppliers. However, as this dilemma has persisted within the industry, fintech providers have begun developing hybrid SCF solutions that allow companies to self-fund as little or as much of their program as they see fit and rely on 3rd party funding to service the rest of the program. This may mean that one segment of a buyer’s supply chain is serviced through a traditional SCF program that uses 3rd party funding, while another segment is serviced through a dynamic discounting program that uses the buyer’s own cash. However, both programs are run centrally over the same platform and use the same set of interfaces. In this way, a buyer can manage supplier financing operations for their entire supply chain through a single solution, even if different financing programs are used for different groups of suppliers.

The availability of hybrid SCF solutions allows buyers to benefit from a supply chain finance program without having to overcommit on funding or rely too exclusively on 3rd party funders.

**Hybrid SCF Approach**

The availability of hybrid SCF solutions allows buyers to benefit from a supply chain finance program without having to overcommit on funding or rely too exclusively on 3rd party funders.
The goal of any WCM strategy should not be to simply increase or reduce working capital, but to optimize it.

**Benefits of Modern Day Supply Chain Finance**

**Working Capital Optimization & Liquidity Management**

It is important to remember that the goal of any working capital management strategy should not be to merely increase or reduce working capital, but to optimize it. From a liquidity standpoint, having too much capital tied up in the supply chain represents a serious issue, especially for companies with lengthy processing cycles. For some firms, cash stays trapped in the cash conversion cycle for months, unavailable for use in other areas. This represents a major loss for the company, as they are missing out on opportunities to put that cash to work. To address this, many SCF solutions provide functionality aimed at streamlining the cash conversion cycle so that cash is not tied up for long periods due to inefficiencies. Utilizing functionalities such as e-invoicing and e-payment capabilities allows buyers and suppliers to conduct virtually all their business electronically and eliminates many of the manual workflows that have plagued organizations in the past. Automating many of the traditionally paper-based tasks such as invoice processing means firms can quickly free up cash and take advantage of early payment discounts or investments in other areas.

As it stands, the SCF approaches of reverse factoring and dynamic discounting provide two unique opportunities for firms to optimize working capital. Using a traditional SCF approach, buyers can increase their days payable outstanding (DPO), which would allow them to hold onto cash for longer and extend the length of their investments to generate higher returns. This method works well if the organization has already identified investment opportunities in the market, and merely needs time to let their investments run their course. Another approach, dynamic discounting, would allow buyers to receive

**DAYS OUTSTANDING**

| 5 | 10 | 15 | 20 | 25 | 30 | 35 | 40 | 45 | 50 | 55 |

**Dynamic Discounting**

Dynamic discounting allows firms to use their own available cash reserves to pay suppliers early in exchange for discounts. The discount provided matches the length of time left before payment is due.

- Firms can use their own available cash reserves to pay suppliers early.
- The discounts achieved through early payments are competitive with returns available through other investment options.
- Dynamic discounting allows for the “long tail” of a buyer’s supply chain to participate.

**Reverse Factoring**

Reverse factoring allows buying firms the ability to extend their DPO and hold onto cash for longer, while also ensuring that their suppliers have early and affordable access to capital.

- Firms can leverage their credit rating to extend DPO while providing affordable financing to their suppliers.
- By holding onto their cash for longer, firms can either make short term investments to generate interest or pay off cash outflows.
- In this circumstance, banks will pay suppliers early on behalf of the buyer, and the buyer will repay the bank at a later date.
discounts on their invoices if they can pay their suppliers early. The discounts available to buyers through these early payments offer rates of return that are competitive and oftentimes higher than other short-term investment options available in the market. Thus, for firms with available capital, dynamic discounting can be a valuable tool. Using these SCF techniques, firms can optimize their working capital levels on an ongoing basis to match their needs, while simultaneously aiding their suppliers.

**RISK MITIGATION**

From a risk standpoint, buyers can reduce the level of operational risk inherent in their supply chain through the provision of quick, affordable capital to their suppliers. Many of the suppliers active in supply chains are SMEs and need quick access to funds to sustain operations and to grow. If the payment terms presented to these SMEs force them to wait months before receiving payment, there is a risk that these suppliers will be unable to afford the ongoing costs of business and subsequently bottom out. This in turn would cause supply shortages for the buyer, and could result in huge losses as inventory is unable to be replenished in time to meet demand.

By ensuring that their suppliers are provided with access to cash, buyers can reduce the risk of supply shortages and the threat of being unable to meet demand. The case study in Figure 8 shows how supplier fallout can have drastic effects on an organization’s supply chain.

**REPUTATION**

Another positive effect realized through the adoption of a SCF program is reputation. As the plight of SMEs has been thrust into the spotlight, large corporate buyers are facing increased pressure from governments, consumers, and
suppliers to implement supplier financing programs. This heightened emphasis on corporate social responsibility has resulted in a growing number of large companies choosing to adopt SME-friendly payment terms and strategies to appeal to their consumers and aid their suppliers. Adopting SCF solutions in this circumstance is more for reputational purposes than financial gain. However, the benefits are often twofold, as this approach also results in better relationships with suppliers and increased demand from consumers who support the company’s business practices.

**TECHNOLOGICAL BENEFITS: SaaS-BASED SCF**

- **The Value of a Network**
  As SCF platforms increase in popularity and greater numbers of buyers and suppliers are onboarded, the resulting network of organizations that has been created is making it easier than ever for buyers and suppliers to interact with one another. This is particularly true for SaaS-based solutions. For instance, a new buyer implementing a SCF solution may find that many of their suppliers have already been onboarded as part of a different buyer’s SCF program. This drastically reduces the implementation timeframe and allows for a smoother transition onto the platform.

  In addition, many of the fintech platforms available today allow for companies to be onboarded all the way from buying organizations, to finished goods suppliers, down to suppliers of raw materials. This ensures that all facets of the supply chain receive adequate financing and that no firms are left out. The resulting network effect allows for deep extension down the supply chain. This means that relationships on the platform may span four unique “tiers,” with firms acting as suppliers on one tier also using the platform as buyers on another tier. The result is that any organization active in the supply chain at any juncture can be onboarded to the solution and participate.

- **Education, Training, & Support**
  SCF vendors have begun incorporating a variety of support and training services into their solutions to aid in the learning process for both buyers and suppliers. This can include 24/7 customer support services, as well as online chat portals and training courses. The inclusion of these training and support materials goes a long way in ensuring the long-term success of a SCF program. Failing to provide these resources can contribute to misuse and can negatively impact the success of the program as efficiency and productivity are obstructed.

- **Platform Integration**
  On top of the functionalities provided directly through the SCF solution, many providers allow for companies to integrate the solution with their already-existing technology infrastructure, such as an ERP or Treasury Management System (TMS) to further streamline processes.
Market Overview

CHALLENGES TO SUPPLY CHAIN FINANCE

LEGAL & JURISDICTIONAL ISSUES ACROSS GLOBAL SUPPLY CHAIN

For organizations looking to implement a global, cross-border SCF program, one of the largest obstacles that will be faced arises from a lack of legal and regulatory consistency across different regions. While North America and Europe tend to have more well-organized and consistent regulatory guidelines, emerging markets such as Latin and Central America, as well as large portions of Asia, have regulations that vary greatly from one country or principality to the next. These regions in and of themselves are also very diverse, with different languages and customs that make it difficult to create a uniform regulatory structure. This makes the process of implementing a SCF solution in these regions a complicated endeavor.

Legal & Jurisdictional Issues Across Global Supply Chain

As firms look to adopt a global SCF program, the legal and regulatory structures of the regions and countries where suppliers are located must be fully understood and accounted for. While the legal teams of organizations should always be involved in the implementation of SCF programs, companies looking to implement their program in regions that do not have a well-developed regulatory structure must rely on their legal teams even further to provide guidance and support. Furthermore, many SCF vendors have experience with implementing their solutions in these regions and can provide additional guidance wherever necessary.

ENSURING SUPPLIER PARTICIPATION

Supplier participation is regularly ranked as the most important step in ensuring a successful SCF program. With this in mind, firms looking to implement a program must be wary of several factors that can discourage suppliers from participating.

Communication

If a buyer fails to effectively communicate with their suppliers as to how their relationship will be affected by the use of a SCF program, suppliers will be hesitant to use the solution. The renegotiation of payment terms can be a sensitive area for suppliers, as they are wary of larger suppliers looking to extend terms and gain the upper hand in the relationship. Thus, if they are never enlightened as to how the SCF program will benefit them and not just buyers, there will be resistance.

As it is generally procurement and AP that are involved in relationships with suppliers, the first step is to ensure that these departments understand exactly how the SCF program will impact operations, and that they are clear on the benefits. They can then communicate this to suppliers and work to negotiate payment terms that aid both parties.

Training & Support

80% of suppliers rate onboarding support through documentation, training, and tools as key to determining their participation in a program. Additionally, buyers who had formerly implemented a SCF solution ranked “ease of onboarding suppliers” as the most pivotal component to ensuring the success of the program. (McKinsey)

80% of suppliers rate onboarding support through documentation, training, and tools as key to determining their participation in a program. Additionally, buyers who had formerly implemented a SCF solution ranked “ease of onboarding suppliers” as the most pivotal component to ensuring the success of the program. (McKinsey)
buyers alike can learn more about how to use the solution most effectively. This goes a long way in ensuring that suppliers are engaged and that they get the most value from their participation.

**Cost & Ease of Onboarding**

In a recent survey by McKinsey, buyers that had implemented a SCF program rated the ease with which suppliers can be onboarded as the most crucial factor in determining the success of the program. No supplier wants to be informed that their buyers are moving to a new solution that will charge fees or that will cost them to be onboarded. If suppliers feel that the costs of participating in a SCF program outweigh the benefits, they will choose not to participate. Similarly, a complicated onboarding process can deter suppliers from participating if it will cost them excessive effort and time.

To circumvent this issue, many SCF providers choose to offer free onboarding for suppliers, with dedicated hotlines or support portals that suppliers can use to receive onboarding assistance. While it generally falls on the buyer to cover these costs on behalf of their suppliers, it is relatively inexpensive, and the value in maximizing supplier participation easily outweighs any associated fees.

**CORPORATE DEPARTMENTAL CONFLICT**

While each department within an organization wants to achieve overall company goals, they will also push to ensure that their specific objectives and needs are met as well. This can cause conflict between various departments, as their individual drivers do not always align. Regarding the use of supply chain finance, conflict can arise if the benefits of the program are not properly communicated to each department. For any SCF program to be successful, every department that will be involved or affected must be able to clearly recognize the benefits that the program will provide them.

When it comes to the implementation and subsequent management of supply chain finance solutions, the parties typically involved include treasury, procurement, IT, finance, legal, accounting, and accounts payable (AP). IT’s involvement will consist mainly of understanding how the technology will work and how it will fit into their existing technology framework. For legal, the emphasis will be on adhering to the regulations and compliance-related guidelines for each region where the solution will be used. For departments such as procurement and AP, however, the implementation of a SCF solution will directly affect the methods by which their daily processes are performed. Thus, there may be reluctance by these departments to alter their processes if the reasons for the changes are not clearly understood or if the benefits of the program don’t seem to pertain to them.

For instance, treasury may understand and recognize the value that a supply chain finance program will bring with regards to optimizing working capital, reducing risk, etc. As managing working capital and risk are two of the core responsibilities of treasury, the adoption of a SCF solution makes sense and is aligned with their departmental objectives. However, for AP, these benefits are less applicable. Instead, AP will be more concerned with the effect of the program on supplier relationships and also how any changes will impact their current payment terms. As such, the positive impacts that the program will provide in these areas must be clearly communicated, or else AP may be skeptical or even outright against the implementation. To ensure this type of conflict does not become a significant issue, one helpful solution is to form a working capital council.

As part of a recent survey, corporate respondents were polled over their current use of working capital councils, or whether they had intentions to implement a working capital council. In total, 17% of firms already had a working capital council in place, and an additional 8% had plans to implement a working capital council within the next two years. This makes for 1 in 4 firms (25%) that will have a working capital council in place by 2019.

**Do You Currently Use or Plan to Use a Working Capital Council?**

![Figure 11](image-url)
A working capital council is a committee spearheaded by treasury that consists of representatives from every department with a stake in working capital. Where SCF is concerned, the council may consist of representatives from treasury, AP, accounting, procurement, legal, and IT. The goal of the council would be to address any concerns that specific departments might have regarding the implementation of a SCF solution, while also working to eliminate some of the key performance indicator (KPI) issues that arise when KPIs in one department conflict with those of another. The council would also work to establish department-wide SCF and working capital objectives that provide value to all facets of the organization, and it would seek to educate each department on how the adoption of a SCF program would not only impact their operations, but also benefit them. Talking through these issues ensures that all parties are aware of the changes and benefits that the adoption of a SCF program will bring, and also helps foster an environment of collaboration and communication between each department moving forward.
SUPPLY CHAIN FINANCE BY REGION

Global Outlook

NORTH AMERICA

The state of supply chain finance in North America is mature. With an already well-developed economy and legal framework, a SCF program can be established without the complications that plague various emerging markets. Over the past decade, the evolution of supply chain finance in the North American market has moved beyond simply adopting a solution and is now concentrated on the continued development and innovation of existing solutions.

As it stands today, large numbers of North American suppliers have already been onboarded to SCF programs. Instead of first-time companies implementing a SCF solution, the market will be affected more by companies looking to enhance or replace their existing SCF program as more sophisticated solutions become available. In addition to this continued development, many U.S. based buyers are looking to establish more robust cross-border SCF programs. Currently, many of the world’s largest corporations are headquartered in the United States but have many of their suppliers located in other regions. Thus, as these markets evolve, the ability to connect to larger numbers of their suppliers globally poses an opportunity for growth.

LATIN AMERICA

One major factor that has hindered SCF growth in LATAM is the absence of any robust credit structure. In developed markets, any entity wishing to acquire lending or receive loans will be assessed with a credit rating or credit profile, with more financially sound and less risky organizations receiving a better credit rating. However, this structure is not as developed in LATAM, and as a result, there is no real disparity in the credit profiles for different companies. Subsequently, SCF programs that rely on the superior credit ratings of buyers to provide affordable financing to their suppliers are not as successful here.

As the SCF landscape in Latin America exists today, it is primarily large, global banks and individual factoring agencies that are seeing the most success. However, as the region develops, new SCF providers are increasingly penetrating the market. As South America’s potential regarding SCF is still largely untapped, companies will continue looking to the region as technological and economic progression enables them to do so.

Many of the world’s largest buying organizations are headquartered in North America.

North America boasts a well-developed legal and regulatory infrastructure, which makes the implementation of a SCF solution much simpler than in other less-developed regions.

The lack of a robust credit-rating structure in LATAM makes SCF approaches like reverse factoring difficult to implement.

As cross-border SCF programs have yet to heavily penetrate the LATAM market, it is primarily bank-led programs that are the most widespread.

In Europe, many firms are looking for innovative ways to drive SCF use beyond its current state.

Technological advancements are allowing firms to implement cross-border SCF programs that extend to all of their suppliers globally.

Increased awareness regarding the struggles of SME suppliers has helped extend SCF programs to include the lower tiers of buyers’ supply chains.
In Europe, supply chain finance has been playing a large role in the business environment for a number of years, and the region is, as a whole, mature in education and development for SCF. While much of the growth in terms of new sales has already occurred, there are still opportunities for development and evolution. As new SCF techniques are developed and introduced to the market, firms have demonstrated a willingness to implement them.

For instance, hybrid approaches that involve funding from both banks and buyers, as well as self-funded approaches such as dynamic discounting, are increasing in popularity. This is driving a period of fresh growth in the market as firms continually look for ways to innovate their SCF programs. Additionally, increased awareness over the plight of SME suppliers to obtain capital has helped drive a number of buyers to implement SCF programs that allow for the “long tail” of their supply chain to participate, versus only their most creditworthy suppliers.

Today, many of the world’s largest suppliers are located in Asia. At the same time, a vast number of smaller suppliers populate the region, to the extent that practically every buyer has suppliers in Asia. In the past, growth in the region has been stifled by diverse sets of rules and regulations across various Asian countries that make consistency in a SCF program incredibly difficult. While this problem continues to affect growth, developments in international SCF programs are helping to overcome these barriers and are allowing companies to implement their SCF programs within the Asian market.

In early 2016, a EuroFinance survey sponsored by HSBC found that while 42% of corporate participants had SCF programs in Asia, none of them had been able to implement their program in every region of Asia they wanted to. In addition, another 40% of participants were still looking to establish SCF programs in Asia. In the coming years, many experts point to Asia as where growth in supply chain finance will be the highest, especially as the technology, infrastructure, and regulatory framework of the region improves and awareness of SCF programs rises.

Moving forward, Asia looks to be on the cusp of a SCF revolution as technological advancements and the elimination of regional barriers help stimulate growth.

Overall, the global growth of the supply chain finance industry, measured in U.S. dollars, was expected to increase by nearly 30% during the 2016 calendar year, up to a total of $46.5 billion dollars (in terms of funds used in available SCF programs). According to data published by McKinsey, revenue within the SCF industry has grown by 20% year-over-year since 2010, and it is expected to grow at a rate of 10-15% for the next three to five years. Figure 13
A SCF CHECKLIST

For those organizations considering the adoption of a SCF program, there are a number of factors to consider. Every organization has a unique set of requirements, responsibilities, and objectives. At the same time, there are multiple supply chain finance solutions and approaches that are available.

The following checklist touches on some key items that must be addressed throughout the process of selecting, implementing, and using a SCF solution.

1. CONSULT OR CREATE A WORKING CAPITAL COUNCIL

After deciding to pursue a SCF program, the 1st step is to consult your firm’s working capital council. If you do not have one, establish one. This should be done before any important decisions are made, as input from all affected parties should be considered before action is taken. This will help to ensure that all the organizational needs and objectives are addressed and will promote an environment of communication and collaboration internally.

2. ESTABLISH A SINGLE SET OF KPIs & OBJECTIVES FOR THE SCF PROGRAM

There must be specific objectives for implementing a SCF program beyond “reducing risk” or “generating profits.” Establish a specific set of goals to be targeted through the SCF program (e.g. Adopt e-invoicing functionality to expedite invoice processing timeframe from 1 month to 2 weeks). These objectives should be agreed upon by all the departments and groups represented in the Working Capital Council.

3. UNDERSTAND YOUR SUPPLIERS

Is there a specific region where your suppliers are located, or are they globally distributed? Do the regions where your suppliers are located have complicated regulations or legislation that could burden your implementation? Would all your suppliers be provided the opportunity to join the SCF program? The decision to implement a SCF program will have a direct impact on interactions with suppliers, and it is vital that the supplier landscape be properly evaluated to determine how its makeup will affect the implementation and use of the solution.

4. RESEARCH ALL THE OPTIONS

In many cases, an organization may believe they know which solution is right for them before conducting any research. However, there are a vast range of SCF options available, including those that involve banks or 3rd party funders or that allow the buyer to put their own cash to work. It is important for firms to be open as they start their research, as there are usually vendors that are discovered during this stage that match the company’s needs that would have been otherwise overlooked.

5. PLAN FOR THE COSTS

The implementation of a SCF program will have far-reaching implications both from a standpoint of costs and potential savings. However, it can be easy for companies to get caught up in the opportunities for savings and fail to consider the costs it will take to implement and manage the solution. Take time to understand both sides of the equation; what must be spent on properly running the solution and what will be gained through its use.

6. COMMUNICATE THE CHANGES & ESTABLISH TRAINING

One of the primary areas where organizations falter during their SCF implementation is in communicating changes and educating both internal staff and suppliers on how the new solution will work. The success of the program depends upon participation. Thus, making sure that both your internal departments and your suppliers understand the benefits of the solution and know how to use it is crucial for driving engagement.

7. MONITOR USAGE & REFINE THE APPROACH

Once a program has been implemented, use of the solution must be continuously analyzed to ensure that there is adequate participation and that both the organization and their suppliers are receiving the proper ROI. This analysis should be conducted regularly for as long as the program is active. If analysis uncovers a process or component of the program that could be executed more efficiently, steps can be taken to address the issue.
The first section of this report has provided an overview of the SCF industry from its origins through to its existence today and has focused on covering economic and industry trends in supply chain finance at a macro level.

The following vendor sections provide a more in-depth look at individual providers of supply chain finance technology, including an overview of each company, notable milestones in their development, and a breakdown of their solution set.

Each of the vendors highlighted in this section are fintech providers of SCF technology. As fintech providers have caused a major disruption within the SCF industry over the past several years and are garnering an increasing market share, we have focused our coverage on these providers in order to provide readers with greater awareness of the unique benefits that they offer.

While each vendor provided content for their own sections, Strategic Treasurer maintained authority over the final version for purposes of providing non-biased, accurate, and informational analysis.

Kyriba has been providing organizations with SaaS-based treasury software for over 17 years. In 2010, Kyriba added to their solution set with the introduction of a supply chain finance component.

Originally founded as an e-procurement solution in 1996, SAP Ariba has gradually expanded the level of functionality provided over their cloud-based Ariba Network to today offer a full suite of financial supply chain solutions.

Taulia, a global provider of cloud-based financial supply chain solutions, focuses on enabling buyers and suppliers to choose when to pay and get paid in order to free up cash across the supply chain.
Company Overview

Kyriba is a global provider of cloud-based treasury, payments, and supply chain finance solutions. The privately held company was founded in 2000 and is led by CEO Jean-Luc Robert with support from an array of high-profile investors, including Bpifrance, HSBC, Daher Capital, and many more. Some of the largest companies in the world rely on Kyriba’s SaaS (Software-as-a-Service) platform for a range of mission-critical capabilities in modern treasury and financial management.

Kyriba officially entered the Treasury Management Systems (TMS) category in 2004, offering one of the first cloud-based solutions on the market. Kyriba experienced rapid growth and expansion from the outset, as its product quickly caught on among organizations looking for relief from traditional manual processes for cash management and forecasting. Over the next decade, Kyriba dramatically expanded the scope of its operations, including opening offices in key locations worldwide, investing heavily in product development and security, and beefing up customer service and support.

As part of its rapid growth, the company began adding to its core solution for cash management with new capabilities for payments, bank connectivity, risk management, FX trading, debt, and investments. Another critical addition to the company’s solution set was supply chain finance (SCF), a collaborative platform that manages invoices through early payments to help unlock working capital for both buyers and suppliers. Kyriba’s comprehensive solution enables organizations to manage their own cash while supporting the working capital requirements of their vendors. It features two supplier financing solutions: dynamic discounting, using a company’s own excess cash and liquidity, and reverse factoring, which leverages external funding sources.

Thanks to the addition of SCF and other key financial management capabilities, Kyriba has experienced strong growth, with more than 1,600 clients and 50,000 active users in 100+ countries around the globe. The company has 450 employees in key locations throughout North America, South America, the Middle East, and the Asia Pacific region.

Kyriba’s platform has also been embraced by a large and diverse ecosystem of service partners, technology partners, ERP vendors, banks, and global solution partners. Current strategic partners include Capgemini, HSBC, NetSuite, RSM, and many more.
**Kyriba**

**Company Snapshot**

**KYRIBA AT-A-GLANCE**

- Founded: 2000
- Headquartered: New York, NY
- CEO: Jean-Luc Robert
- Ownership: Privately Held

**Produc T SET**

<table>
<thead>
<tr>
<th>Kyriba Supply Chain Finance (SaaS-Based)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Reverse Factoring</td>
</tr>
<tr>
<td>- Dynamic Discounting</td>
</tr>
<tr>
<td>- Kyriba Onboarding Solution</td>
</tr>
<tr>
<td>- Supplier Portal</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Complementary Treasury Solutions (SaaS-Based)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Cash &amp; Liquidity Management</td>
</tr>
<tr>
<td>- Cash Forecasting</td>
</tr>
<tr>
<td>- Payments &amp; Reporting</td>
</tr>
<tr>
<td>- Risk Management</td>
</tr>
<tr>
<td>- FX Trading</td>
</tr>
<tr>
<td>- Debt &amp; Investments</td>
</tr>
<tr>
<td>- Bank Connectivity</td>
</tr>
<tr>
<td>- Supplier Portal</td>
</tr>
</tbody>
</table>

**NOTABLE EVENTS**

- **Kyriba Live! Client Conferences**
  
  - **SEPT 10**: Atlanta, GA
  - **OCT 12**: Paris, France

- **AFP Conference**
  
  - **OCT 15-18**: San Diego, CA

- **EuroFinance**
  
  - **OCT 4-8**: Barcelona, Spain

**THINGS YOU SHOULD KNOW**

- Kyriba has more than 450 employees in 12 offices throughout the world.
- Kyriba processed more than $1B in early pay discounts over the last year through its SCF offering.
- Kyriba currently has more than 1,600 clients and 50,000 users utilizing their solution across 100+ countries.
- Kyriba offers the entirety of their solution set via a SaaS-based model for improved scalability, security, and reliability.
- Kyriba’s treasury software has won multiple awards including “BEST CASH FORECASTING SOLUTION” and “BEST CASH MANAGEMENT SOLUTION.”
- Kyriba offers pre-integrated connectivity to more than 500 banks globally, which simplifies onboarding integration with bank funders.
- Kyriba’s name is derived from “KIRIBATI,” an island in the Pacific whose position makes it the first land mass to see the light of each new day.
- Kyriba’s product suite is delivered in 13 languages, including Arabic, English, French, German, Spanish, Italian, Chinese, Polish, Portuguese, Japanese, Russian, Romanian, and Serbian.

**Headquartered:** New York, NY

**Ownership:** Privately Held

**Founded:** 2000

**CEO:** Jean-Luc Robert

**Notable Events**

- **Kyriba Live! Client Conferences**
  - Atlanta, GA (SEPT 10)
  - Paris, France (OCT 12)

- **AFP Conference**
  - San Diego, CA (OCT 15-18)

- **EuroFinance**
  - Barcelona, Spain (OCT 4-8)
In May 2017, Kyriba announced that sales grew 40 percent worldwide during the first quarter of the year, compared to the same period last year. This included a whopping 80 percent growth rate in North America, as Kyriba established itself as a leading solution for core treasury and financial operations. Over the past year, Kyriba has landed 200+ net new logos, and now has more than 1,600 clients worldwide.

In April 2017, Kyriba announced that its platform was gaining strong momentum among global NetSuite solution providers in the US, Europe, and Latin America. These partners include RSM, Capgemini, Clustin, and NetSoft, all of whom recommend Kyriba for its robust suite of solutions covering treasury, payments, and supply chain finance.

In March 2017, Kyriba announced that Pimkie had chosen Kyriba’s supply chain finance solution to manage its supplier-invoice financing program. Pimkie, a major player in women’s fashion, works with a number of suppliers, some of which are based in Asia, Turkey, and North Africa. In order to strengthen its supply chain and build loyalty within its supplier network, Pimkie will allow its suppliers to opt for early payment of invoices through implementation of Kyriba’s reverse factoring solution.

In September 2016, Kyriba announced that it had raised $23 million in a successful Series D funding round that was led primarily by the French public investment bank Bpifrance. The funds will be used to finance Kyriba’s research and development activity and deepen the level of product innovation across its solution suite.

Kyriba provides an integrated platform for treasury, payments, and SCF that brings together all elements of working capital management and payment execution. This expanded solution allows CFOs to model and monitor cash flow forecasts and liquidity demands and then execute working capital strategies through the SCF solution to improve liquidity and cash flow. Kyriba’s Supply Chain Finance module includes dynamic discounting and reverse factoring. Both solutions are naturally integrated into the various treasury management modules for comprehensive reporting, dashboards, and compliance monitors across all TMS, payment, and SCF key performance indicators.

KYRIBA

Headlines & Awards

**Kyriba Announces 40% Year-Over-Year Sales Growth in Q1 2017, Including 80% Growth in North America**

In May 2017, Kyriba announced that sales grew 40 percent worldwide during the first quarter of the year, compared to the same period last year. This included a whopping 80 percent growth rate in North America, as Kyriba established itself as a leading solution for core treasury and financial operations. Over the past year, Kyriba has landed 200+ net new logos, and now has more than 1,600 clients worldwide.

**Kyriba Gains Rapid Adoption Among Top NetSuite Partners: Capgemini, Clustin, NetSoft, and RSM**

In April 2017, Kyriba announced that its platform was gaining strong momentum among global NetSuite solution providers in the US, Europe, and Latin America. These partners include RSM, Capgemini, Clustin, and NetSoft, all of whom recommend Kyriba for its robust suite of solutions covering treasury, payments, and supply chain finance.

**Pimkie Selects Kyriba for its Collaborative Reverse Factoring Project**

In March 2017, Kyriba announced that Pimkie had chosen Kyriba’s supply chain finance solution to manage its supplier-invoice financing program. Pimkie, a major player in women’s fashion, works with a number of suppliers, some of which are based in Asia, Turkey, and North Africa. In order to strengthen its supply chain and build loyalty within its supplier network, Pimkie will allow its suppliers to opt for early payment of invoices through implementation of Kyriba’s reverse factoring solution.

**Kyriba Raises $23 Million in Series D Funding Round Headed by Bpifrance**

In September 2016, Kyriba announced that it had raised $23 million in a successful Series D funding round that was led primarily by the French public investment bank Bpifrance. The funds will be used to finance Kyriba’s research and development activity and deepen the level of product innovation across its solution suite.

**PRODUCT OVERVIEW**

Kyriba provides an integrated platform for treasury, payments, and SCF that brings together all elements of working capital management and payment execution. This expanded solution allows CFOs to model and monitor cash flow forecasts and liquidity demands and then execute working capital strategies through the SCF solution to improve liquidity and cash flow. Kyriba’s Supply Chain Finance module includes dynamic discounting and reverse factoring. Both solutions are naturally integrated into the various treasury management modules for comprehensive reporting, dashboards, and compliance monitors across all TMS, payment, and SCF key performance indicators.

**Supplier Portal**

Kyriba offers a powerful, yet intuitive, web-based supplier portal that allows the buyers’ suppliers to easily monitor the
status of their AR invoices and quickly request early payment. Suppliers can selectively choose specific invoices for early receipt, configure simple rules to ensure early payments are received automatically, or bid on discount rates to ensure early payment is received at an appropriate discount rate. Comprehensive dashboards and periodic statements are available from the Kyriba supplier portal.

Kyriba offers two supplier-financing solutions depending on the source of funding: dynamic discounting, which uses a corporation’s own excess cash and liquidity; and reverse factoring, which leverages external funding sources.

**Dynamic Discounting**
Kyriba’s Dynamic Discounting solution offers buyers the ability to utilize their excess cash to pay targeted suppliers early at a buyer-determined discount. This solution integrates seamlessly with Kyriba’s cash positioning and cash forecasting solutions, so treasurers and CFOs can determine excess cash availability that can be utilized for the buyer-funded, dynamic discounting solution. Program limits as well as supplier and compliance rules are easily configurable, and invoices can be imported from all ERP and AP systems by leveraging Kyriba’s Data Exchange integration tool. Following the invoice integration, suppliers can immediately view their invoices and request early payment.

As Kyriba is a single integrated treasury, payment, and SCF solution, once the invoice is requested for early payment, a payment is automatically created to remit the early discounting payment from Kyriba to the supplier’s bank, and the cash forecast and accounting processes are also immediately updated.
Reverse Factoring

Kyriba’s Reverse Factoring is a multi-bank solution that brings buyers, suppliers, and funders together to offer competitive early payments to suppliers while improving the buyer’s working capital. Leveraging Kyriba’s Cash Forecasting module, treasurers and CFOs model and measure free, cash-flow performance within the platform and DPO metrics, which can then be evaluated as an opportunity to extend supplier terms as part of working capital improvement strategy. Kyriba’s Reverse Factoring module is a beneficial solution to both the buyer and supplier as it improves supplier relations and reduces impact on term extension for the supplier. Through reverse factoring, the buyer can invite their suppliers to take advantage of early payments on approved invoices, which are paid by a bank or funder of the buyer’s choice. Buyers can easily integrate multiple banks into the program via Kyriba’s data exchange and connectivity solutions.

In a common workflow, following the approval of an invoice, the supplier can immediately view the invoices in the Kyriba supplier portal and request early payment, or they can simply automate this step. Kyriba automatically sends an electronic file to the bank/funder, which processes the early discount payment to the supplier. Kyriba then updates the specific invoice(s) to reflect the funding bank settlement instructions, and the payment (wire or ACH) is automatically generated by Kyriba’s Payment Builder and available for release in the payment module. This complete workflow integrates automatically to the cash forecast, payment fraud, and compliance modules, and GL account posting. Through the invoice workflow, status files are exported to the ERP to update the status of the respective invoice.

CASE STUDY

ABOUT THE CLIENT

▪ A privately held holding company for autonomous companies including retail, real estate, and banking.
▪ An estimated 340,000 employees in 16 countries.

PROBLEM

▪ Need to unlock working capital and help suppliers through reverse factoring.
▪ Lack of a flexible cash management solution that could be shared across multiple users.
▪ Desire to help foreign subsidiaries to manage 3rd party payments.

BENEFITS OF USING KYRIBA

▪ Integrated solution for key treasury and finance operations.
▪ 100% SaaS (Software-as-a-Service).

WHY CLIENT CHOSE KYRIBA

▪ Cloud-based architecture provided simplicity, transparency, and increased freedom for internal IT.
▪ Ease of deployment and state-of-the-art security.
▪ A comprehensive and integrated solution approach.
▪ Responsiveness and technical authority.

FUNCTIONALITIES IMPLEMENTED

▪ Supply chain finance to implement a reverse factoring program.
▪ Cash management.
▪ Payments.
supports specific program and bank compliance measures, limits enforcement, and provides discount-rate calculations leveraging Kyriba’s integrated market data (or 3rd party data source if required). Dashboards and statements can be viewed on demand by buyer and supplier, and custom activity reports can be produced to bank funder as well.

**Kyriba Onboarding Solution**

The Kyriba Onboarding solution allows buyers to create custom messaging and marketing materials to help promote the value of their SCF program to their suppliers, and it offers an easy tool for helping suppliers sign up for the program. This strategy includes an email campaign generated by the Kyriba solution targeted to specific suppliers identified during the Kyriba vendor-spend analysis service that directs suppliers to the webpage. The onboarding tool is a simple webpage that contains all required KYC bank documents that the supplier can download and complete. In addition, this custom webpage can include an FAQ section, a SCF services overview, and program benefits that can be completely tailored to the buyer’s program. The supplier can complete a simple web form on the page to start the registration process to join the program. Finally, the buyer can analyze a series of metrics and KPIs to monitor which suppliers have joined the program, which suppliers have reviewed marketing emails, and which suppliers have elected not to join.

**Strengths**

- **Scope of Functionality**

  A major strength of Kyriba’s, which stems from their position as a Treasury Management System (TMS) provider, is the broad scope of treasury operations that are addressed through their solution. With a full suite of functionalities for cash management, forecasting, payments, bank connectivity, risk management, trading, and investing already provided over their platform, supply chain finance is yet another value-add service that clients can utilize, all through a single portal. As Kyriba continues to build out additional services and modules, the result is that almost every treasury-related function or process needed by clients is addressed through one of their existing modules. In addition, as all this functionality is offered through a central platform, the level of automation and integration between different modules allows information to flow seamlessly from one area to the next, which plays a major role in reducing manual processing and eliminating the need for human intervention. For instance, buyers can use Kyriba’s cash management module to identify exactly how much excess cash is available across the organization and then use this information to allocate excess cash into their SCF program to take advantage of early payment discounts. In this way, each module offered through Kyriba’s platform complements the others, and the solution as a whole allows treasury to perform the vast majority of their operations through a single set of interfaces.

- **Supplier Onboarding Approach**

  A unique aspect of Kyriba’s approach to supply chain finance is the provision of the Kyriba Onboarding Solution, which offers buyers a set of customizable tools that are aimed at spreading awareness of the SCF solution to suppliers. The onboarding solution allows for the creation of custom email campaigns that can be delivered directly through Kyriba’s solution and that direct suppliers to a customized webpage containing SCF FAQs, an overview of SCF services, and a registration tab that allows them to complete the documentation necessary to join the program. Finally, the onboarding solution allows buyers to view supplier participation metrics, including the number of suppliers that have visited the registration page, which suppliers have joined the program, and which suppliers have declined. The provision of this service helps buyers effectively track and monitor the success of their program from the standpoint of supplier engagement. Overall, Kyriba’s supplier onboarding tools allow buyers to use their understanding of their suppliers to create customized outreach programs that are tailored to their suppliers’ unique needs, which goes a long way in ensuring that suppliers are provided with all the information and materials they need to join the program.

**CUSTOMER SUPPORT**

Kyriba has customer support centers dispersed globally that handle client questions in the languages most commonly used in the regions where they are located. For instance, the Chinese support center offers English and Mandarin, the Tokyo center offers English and Japanese, and the New York center provides English and Spanish. Collectively, these centers provide 24/7 support to clients via phone and email.
Additionally, Kyriba’s clients are given access to Kyriba Social, an online social support and network portal that allows customers to interact directly with Kyriba’s support personnel online.

**IMPLEMENTATION**

Kyriba is 100 percent cloud-based and delivered through a software-as-a-service (SaaS) model. Kyriba’s entire solution set is seamlessly integrated on one cloud platform and is backed by end-to-end security and superior connectivity. Kyriba’s data centers are distributed in key locations around the world, ensuring all data is backed up and secure.

The average SCF project takes fewer than six months to implement as part of a phased approach. Using Kyriba Essentials, implementation may take as little as three months, depending on requirements.

The supplier onboarding process similarly benefits from a phased approach. The implementation rollout is phased based on the initial spend analysis of the client. Kyriba’s approach is to work primarily with the buyer’s team, as the buyer is the owner of the relationship with the suppliers.

**Onboarding tools.** There are two differentiating aspects of this tool:

- A fully customizable marketing website to inform and educate suppliers on the available SCF program. It also contains FAQs and a registration form to request...
to join the program.

- A CRM tool that allows the onboarding team to follow the progress of each supplier in the registration process, including KYC and other administrative requirements.

The supplier onboarding methodology includes three simple steps: education, administration, and activation.

- **Education:** Kyriba supports the buyer in educating the supplier about the benefits of the SCF program. Kyriba has onboarding tools that enable the buyer to select and prioritize suppliers.

- **Administration:** Kyriba will manage the supplier’s request to join the program and support the KYC process and contracting.

- **Activation:** Kyriba will activate the buyer ERP exports and connect the supplier to Kyriba’s SCF platform.

Kyriba’s reporting module translates large volumes of data into KPIs and actionable information, which enables buyers and suppliers to more effectively onboard and monitor their progress.

**CLIENT TRAINING & EVENT ATTENDANCE**

Kyriba regularly attends a number of globally distributed finance and treasury events, many of which occur in either North America or Europe. These include the annual AFP Conference and other regional AFP events, as well as the Windy City Summit and New York Cash Exchange. Kyriba also annually attends the SIBOS conference, as well as the European EuroFinance event. In addition to these conferences, Kyriba also hosts its own annual client conference, Kyriba Live! which is being held in three locations this year in the US and Europe. Kyriba Live! serves as an opportunity for customers to gather and network with each other, receive education on new upgrades and enhancements to the Kyriba application, and learn how to most effectively utilize the system’s functionality.

In terms of client training, Kyriba offers a multitude of training courses to the core users of its platform during implementation as they prepare for the go-live stage. For sustained client training, Kyriba uses a “train-the-trainer” approach where new clients can assign an administrator who will train any users who cannot attend the original training sessions or who are added to the system later. Additionally, users are provided with reference guides and pre-recorded copies of web training sessions to receive additional knowledge on the system.
COMPANY OVERVIEW

SAP Ariba, a division of SAP, was founded in 1996 to enhance corporate purchasing. Then known as Ariba, their e-procurement solution linked computer systems to efficiently exchange information over the internet. The solution featured a walk-up user interface and could be integrated with enterprise financial systems to connect buyers directly with their suppliers no matter their size, frequency of business, or technical sophistication.

Ariba’s success in delivering solutions for procurement gradually spread to finance and the supply chain, and today SAP Ariba provides a digital marketplace that simplifies business processes for both buyers and suppliers. At the foundation is Ariba Network, a community where millions of trading partners conduct more than $1 trillion in annual global commerce. The potential of this network and the cloud applications that support it, attracted the attention of SAP, which acquired Ariba in 2012 as a core asset for digitizing business commerce.

The ability of Ariba Network to enable fast, reliable processing of purchase orders and invoices opens up new opportunities to manage cash and optimize working capital for buyers and their suppliers. This is making financial supply chain solutions a growth area for Ariba Network transactions. These solutions help global organizations improve the certainty of payment while maintaining proper security and controls, and they optimize working capital by collaborating on early payment discounts and supply chain finance.

As the latest solution in its financial supply chain portfolio, SAP Ariba supply chain finance capability helps buying organizations extend their payment terms and improve days payable outstanding (DPO) without negatively impacting their suppliers’ cash flow. Suppliers can choose from more than 60 banks and financial institutions connected to Ariba Network to accelerate payment of approved invoices. The solution complements SAP Ariba’s discounting and payment capabilities.

With SAP Ariba financial supply chain solutions and Ariba Network, you can employ new capabilities, intelligence, and global reach to transform your payables from liabilities into strategic assets. This can help firms increase free cash flow, improve working capital performance, reduce costs and liquidity risk in their supply chain, capture more discounts, and provide full visibility into payment status. Unlocking value from payables and streamlining transactions with global suppliers provides benefits to all stakeholders associated with the financial supply chain. Accounts payable can focus on strategic activities that improve the bottom line. Procurement gets to work with happier suppliers. Treasury can improve its ability to free up working capital and increase earnings on short-term cash.
SAP Ariba AT-A-GLANCE

SAP Ariba has approximately 30 offices located throughout each of the four major world regions.

More than 2.5 million trading partners currently utilize Ariba Network.

Ariba Network processes over 134 million business commerce transactions annually.

SAP Ariba employs more than 4000 employees throughout their offices worldwide.

THINGS YOU SHOULD KNOW

Users on Ariba Network conduct MORE THAN $1.25 TRILLION in business commerce annually.

EVERY MINUTE a new client joins Ariba Network.

Ariba was a publicly traded company until 2012, when it was acquired by software giant SAP.

Ariba Network is utilized by businesses operating in 190 countries around the world.

EVERY HOUR Over $758,000 of potential new business is posted on SAP Ariba Discovery.

NOTABLE EVENTS

IOFM Accounts Payable & Procure-to-Pay Conference

Las Vegas, NV

OCT 12-14

SAP Ariba Live

Sydney, AU

AUG 21-23

AFP Conference

San Diego, CA

OCT 15-18

PRODUCT SET

Ariba Network (Cloud-Based)

- Supply Chain Finance
- Discount Management
- Payments
- Payment Terms Management
- Electronic Invoicing
- Supplier Portal
- Managed Services for Adoption

Complementary Solution Portfolios

- Supplier Management
- Strategic Sourcing
- Procurement

Headquartered: Palo Alto, CA

Ownership: SAP Subsidiary

Founded: 1996

President: Alex Atzberger

Company Snapshot

SAP Ariba

Headquartered: Palo Alto, CA

Ownership: SAP Subsidiary

Founded: 1996

President: Alex Atzberger

Notable Events

IOFM Accounts Payable & Procure-to-Pay Conference

Las Vegas, NV

OCT 12-14

SAP Ariba Live

Sydney, AU

AUG 21-23

AFP Conference

San Diego, CA

OCT 15-18

THINGS YOU SHOULD KNOW

Users on Ariba Network conduct MORE THAN $1.25 TRILLION in business commerce annually.

EVERY MINUTE a new client joins Ariba Network.

Ariba was a publicly traded company until 2012, when it was acquired by software giant SAP.

Ariba Network is utilized by businesses operating in 190 countries around the world.

EVERY HOUR Over $758,000 of potential new business is posted on SAP Ariba Discovery.

PRODUCT SET

Ariba Network (Cloud-Based)

- Supply Chain Finance
- Discount Management
- Payments
- Payment Terms Management
- Electronic Invoicing
- Supplier Portal
- Managed Services for Adoption

Complementary Solution Portfolios

- Supplier Management
- Strategic Sourcing
- Procurement

Headquartered: Palo Alto, CA

Ownership: SAP Subsidiary

Founded: 1996

President: Alex Atzberger

Notable Events

IOFM Accounts Payable & Procure-to-Pay Conference

Las Vegas, NV

OCT 12-14

SAP Ariba Live

Sydney, AU

AUG 21-23

AFP Conference

San Diego, CA

OCT 15-18

THINGS YOU SHOULD KNOW

Users on Ariba Network conduct MORE THAN $1.25 TRILLION in business commerce annually.

EVERY MINUTE a new client joins Ariba Network.

Ariba was a publicly traded company until 2012, when it was acquired by software giant SAP.

Ariba Network is utilized by businesses operating in 190 countries around the world.

EVERY HOUR Over $758,000 of potential new business is posted on SAP Ariba Discovery.
Headlines & Awards

**SAP Ariba Ranked Among “World’s Best Financial Supply Chain Solutions”**

In January 2017, for the tenth consecutive year, SAP Ariba was ranked among the world’s best and most innovative financial supply chain solutions as part of an annual survey published in the February issue of Global Finance Magazine.

**SAP Ariba Celebrates Two Decades of Procurement Innovation**

In November 2016, SAP Ariba marked the 20th anniversary of Ariba Network and the fundamental shift in business: that buying and selling among businesses didn’t need to be so hard. That with the right technology, companies could automate the process and interact in totally new ways that enhance their top and bottom lines.

**SAP Ariba Teams with PrimeRevenue to Transform Financial Supply Chain**

In April 2016, SAP Ariba announced that it would team with PrimeRevenue to deliver a multi-funder supply chain financing platform as part of an integrated source-to-pay process. By marrying relationship, transaction, and financial data, the companies will connect the dots between procurement and finance and provide the insights and visibility buyers and suppliers need to optimize their relationships and cash flows.

**SAP Ariba Wins Two PYMNTS.com Innovator Awards**

In March 2015, PYMNTS.com, the premier source of news and commentary on innovation in payments and commerce, announced that SAP Ariba’s payments capability was chosen as the winner of the 2015 PYMNTS Innovator Awards for Most Disruptive and Best B2B Innovation. SAP Ariba was among more than 80 finalists competing for the annual awards, which are made across 16 categories and selected by an independent panel of judges consisting of executives from across the payments spectrum.

**Ariba & Discover to Transform B2B Payments with AribaPay**

In May 2013, Ariba, an SAP company, and Discover Financial Services announced the B2B payment service AribaPay, designed to eliminate paper transactions, improve visibility into cash flow, and produce rich remittance information that improves reconciliation processes for buyers and sellers. The cloud-based service combines the applications and insights embedded in Ariba Network and delivers them through Discover’s trusted global payments infrastructure.

---

**SAP Ariba Payables**

Support all invoices and funding scenarios, complementing SAP Ariba solutions

Working capital management advisory and supplier services
(Payment terms standardization, rationalization, extension, and supplier outreach)

- **Ariba Discount Pro**
  - Supplier accepts to be paid by buyer at prorated discount prior to due date
  - Indirect spend
  - Small and midsize suppliers

- **Ariba Supply Chain Finance**
  - Supplier sells approved invoices to funder at a discount rate based on buyer’s creditworthiness
  - Direct spend
  - Large to midsize suppliers

Funded by Banks and capital markets

Operated on and with

Ariba payment capabilities

- Electronic payments to suppliers
- Bank account data abstraction
- Supplier self-management of bank account data
- Rich remittance advice to monitor invoices with payments
- Ability to track and trace status

---
PRODUCT OVERVIEW

**SAP Ariba Payables**

As the foundation of SAP Ariba financial supply chain solutions, SAP Ariba Payables lets you unlock significant value from your payables. It consists of supply chain finance, discount management, payments, payment terms management for non-strategic suppliers, supplier portal, and managed services. This integrated solution suite enables you to streamline transactions with global suppliers, realize new opportunities to manage cash and working capital, and simplify your B2B payment process. The solution is ERP agnostic, supporting virtually all popular ERP and back office systems. By combining SAP Ariba Payables and Ariba Network, you can:

- Manage the payables process from invoice status and payment scheduling through funds settlement and account reconciliation.
- Maximize your Days Payable Outstanding (DPO) with supply chain finance while enabling your suppliers to accelerate cash flow and reduce their Days Sales Outstanding (DSO).
- Expand early payment discounts to improve your short-term liquidity yield with no risk.
- Provide real-time status of approved invoices to help suppliers identify early payment opportunities and act on them at the click of a button.
- Combine electronic payment with comprehensive line-level remittance detail to bring simplicity, certainty, and security to business payments.*
- Partner with our working capital management services team to develop and deploy a customized strategy for managing dynamic discounting, payment terms, or broader working capital programs.
- Empower accounts payable and accounts receivable teams to improve cash flow forecasting and focus on strategic activities.
- Enable paper check and card settlement.**

By automating your payables with SAP Ariba, you can lower costs, increase cash returns, free up working capital, and consolidate payments on one platform. This helps strengthen your income statement and balance sheet and simplifies business payments.

*Available in the U.S., Canada, Germany, and the United Kingdom. ** Available in the U.S.
Supply Chain Finance

SAP Ariba’s supply chain finance (SCF) capability is a global, multifunder financing solution for suppliers that balances your financial goals with the needs of your financial supply chain. The solution helps suppliers reduce their financing costs, while allowing buyers to increase their free cash flow from payables by standardizing and rationalizing payment terms.

With SAP Ariba SCF, you can support a strategic payment term extension initiative while providing options to suppliers for getting paid early, often at lower financing rates. You can apply different payment term strategies by supplier groups to achieve best results, and choose which banking partners to fund all, or a portion of, the SCF program, ensuring flexibility in funding options.

Suppliers leverage your cost of capital for access to low cost, on-demand financing as you increase your company’s cash flow. In addition, they gain access to a SCF program that reduces risk compared to single, proprietary bank

CASE STUDY

ABOUT THE CLIENT
- Fortune 500 pharmaceutical company with globally distributed supply chain.

PROBLEM
- Need to optimize working capital.
- Adapt working capital program by region to comply with local regulations.
- Improve quality of vendor master data.

DESIRED SOLUTION CAPABILITIES
- Develop unique payment terms to meet specific country-regional requirements.
- Dynamic discounting functionality.
- Consulting expertise to help develop and execute global payment term strategy.
- Support vendor master data cleanup.

BENEFITS OF USING SAP ARIBA
- Extended supplier financing program globally across 38,000 suppliers in 40 countries.
- Generated $338M in free cash flow to invest in new drug development, >$10M contribution to income statement.
- Expanded capture of early payment discounts by 12% over previous year to ~$6.6M.
- Helped with master vendor file cleanup to ensure accuracy of supplier payment term and contact data.

FUNCTIONALITIES IMPLEMENTED
- SAP Ariba Payables solution.
platforms and can execute SCF programs with no intervention from you.

A global consulting team helps you plan and execute a successful program that optimizes your working capital. Supplier onboarding and enablement experts work closely with you to activate and train suppliers across the globe on your SCF program.

- **Discount Management**
  Delivered in the cloud via Ariba Network, SAP Ariba’s discounting capability provides buyers and sellers with all of the tools necessary to fully automate the process of offering, negotiating, and agreeing on early payment terms. It features:
  - Prorated discount terms through which buyers can capture discounts at any point between the invoice approval and net due date.
  - Discount management approach that lets suppliers control the acceleration of payment on an ad-hoc basis on individual invoices.
  - Automatic presentation of discount offers from buyers.
  - One-button acceptance of accelerated payment by suppliers.
  - SAP Ariba Cash Flow Optimizer™ offering suppliers insight into cash flow opportunities and single-click acceleration of cash.

The SAP Ariba working capital management services team provides the strategy, segmentation, supplier solicitation, and support to maximize discount signup and penetration. This team brings years of experience, expertise, and payment term data to help you formulate an effective DPO improvement and dynamic discounting program.

Working with this team, client companies typically see $1M-2M in discount savings on every $1B in spend. Together with the discounting capability, this provides the tools and resources you need to optimize your cash use and realize high-yield, risk-free returns on your payables.

- **Payments**
  The payment capability* from SAP Ariba delivers an end-to-end business payment solution that combines the delivery of funds settlement and the rich, line-level remittance detail that suppliers need to reconcile and post payments. Built on the foundation of Ariba Network and harnessing the global reach and security of SAP Ariba’s payment partners, the payment capability gives companies and their suppliers complete control over their B2B payments with more confidence, more efficiency, and more visibility.

  With the payment capability, all of the historical information associated with payments will be available to and easily consumed by the receiver of that payment. With full invoice information, along with the opportunity to have PO and contract information associated with the payment available on Ariba Network, suppliers have access to all the payment information they need to automatically reconcile and apply funds, reduce errors in the accounting of transactions, and improve their cash flow forecasting. It’s the ability to integrate the payment capability with these pre-payment transaction documents that distinguishes the solution from ACH and other business payment methods available today.

  With track and trace capabilities, suppliers can view the status of a payment at any time in the process and have the rich remittance detail they need to easily reconcile these payments. No longer will suppliers need to call, email, or fax their customers about scheduled payments, remittance, or post-payment invoice disputes. They will know when a payment is scheduled, when it’s on the way, and what the payment is for.

  SAP Ariba also supports paper check and card settlement for organizations making payments in the United States. The first phase of card settlement, delivered with partner Discover Financial Services, offers support for payments with pre-funded cards.

- **STRENGTHS**
  - **Network Size**
    After more than 20 years of operating within the industry, one of the acquired strengths that SAP Ariba can leverage is the size and strength of its network. Ariba Network, a global business network that already supports more than 2.5 million trading partners across 190 countries, gains a new trading partner every minute. In fact, over the course of a single day, more than 367,000 transactions representing >$3.4 billion in business commerce are completed over Ariba Network.

    The services offered through Ariba Network, available to users via an online portal, range from spend and supplier management, to e-commerce, e-invoicing, and financial supply chain management. Collectively, the services offered by SAP Ariba via Ariba Network span the entire procure-to-pay cycle, meaning that both buyers and suppliers can use a single set of interfaces to complete all the steps associated with a transaction. Add in SAP Ariba’s online customer support portal and user community, and clients have all the resources they need to begin connecting with their trading partners in real time.

*Available in the U.S., Canada, Germany, and the United Kingdom.
Financial Resources

One of the primary obstacles that many fintech companies face is acquiring the capital necessary for growth and expansion. While SAP Ariba did well to build financial strength early on, they are now able to circumvent this issue almost entirely thanks to the financial backing of SAP, one of the largest software providers in the world. The acquisition of Ariba by SAP in 2012 meant that Ariba is now funded by a company with annual revenues in excess of $20 billion and research and development expenditures that shot above $3 billion in 2016.

This funding has proven advantageous for SAP Ariba both in expanding their own solution’s functionality, as well as through integration opportunities with SAP’s existing technology infrastructure.

In recent years, the capital provided by SAP to fund SAP Ariba’s ongoing product development and expansion efforts has paid off. SAP Ariba continues to be recognized as an industry leader in the financial supply chain space and has seen success expanding its global footprint, most recently with the introduction of its payment capability to Canada, Germany, and the United Kingdom. In addition, SAP Ariba expanded dynamic discounting capabilities to more than 20 countries by automatically creating credit memos on the supplier’s behalf to meet country requirements.

CUSTOMER SUPPORT

SAP Ariba offers global support via a follow-the-sun approach that serves all time zones with offices around the world featuring multilingual staff. Main support centers in the U.S. are located in Sunnyvale, CA; Pittsburgh, PA; and
Implementation

SAP Ariba’s software solutions are subscription-based, pay-as-you-go services (Software-as-a-Service) that you access from a web browser. There’s no need for you to install or maintain software or hardware, pay upfront licensing fees, or struggle with complex implementations. SAP Ariba hosts and maintains a single instance of each application on a multi-tenant platform in the cloud. That makes them scalable, secure, and replicable, capable of meeting the needs of thousands of customers at the same time.

SAP Ariba also offers customers an opportunity to enroll in a world-class benchmarking program, one that more effectively helps participants:
- Measure and compare solution adoption rates
- Use empirical data to track performance
- Identify the best ways to drive cost savings through greater efficiency and effectiveness
- Build a success plan for improvement, with targets for internal initiatives
- Quantify the savings achieved through improved performance

Client Training

SAP Ariba training, enablement, and adoption services are available in a variety of ways: through a virtual classroom, traditional classroom (custom or private training), remote, and through the cloud in the SAP Learning Hub. Standard training, offered as virtual live training or private classes, focuses on product features, functions, and best practices, and is a great way to get started with SAP Ariba. Change management and custom training can help ensure solution adoption as well as successful supplier enablement, while also supporting your change management objectives.
COMPANY OVERVIEW

Taulia, a global provider of financial supply chain solutions headquartered in San Francisco, was founded by four Germans who previously built a company, Ebydos, to automate and improve the invoicing process. However, they saw that invoices still took a long time to get paid as there was no incentive for the buyer to pay early. That’s when they came up with the simple idea of motivating buyers by enabling them to pay less if they paid early. Today, that vision has developed into the concept of enabling buyers and suppliers to be able to choose when to pay and get paid to free up cash across supply chains, helping to fuel the global economy.

When we look at our personal and business lives, technology has impacted virtually every aspect, changing it for the better. Yet the way we manage our financial supply chains, how businesses pay and get paid, is often archaic. Many businesses today continue to use long, fixed payment terms, static discount programs, and outdated working capital solutions. With $120 trillion in global B2B payments and an average of $19 trillion waiting to be paid at any one time, companies across the supply chain are missing out on a huge opportunity to unlock this cash.

Taulia enables companies to free up cash by changing one of the basic rules of business. Today, paying and being paid are directly linked. When a buyer chooses to pay a supplier is when the supplier gets paid. Taulia decouples this relationship. Using Taulia, buyers can choose to pay later to improve their working capital position. Or, as soon as an invoice is approved, a supplier can opt to get paid in exchange for a small discount. Funding for a buyer’s decision to submit early payment can come from a 3rd party or the company itself. Further, because the supplier is leveraging the buyer’s credit rating, the cost of the discount is normally significantly below the supplier’s cost of finance, thereby reducing their overall financing costs. In this way, the discount is returned back to the buyer, enabling them to not only improve working capital but also to improve margins and reduce operating costs.

Today, Taulia has over 1.3 million companies on its network across over 160 countries. These companies have transacted more than $1 trillion in invoices and accessed over $130 billion in affordable financing. The company operates globally and utilizes the skills of more than 200 employees spread out across offices in North America and Europe.
TAULIA

Company Snapshot

TAULIA AT-A-GLANCE

- Taulia has 7 offices located throughout Europe and North America.
- Over 155 million invoices have been processed through Taulia’s platform.
- The Taulia network currently consists of more than 1.37 million supplier connections.
- Taulia employs more than 200 staff members throughout their 7 office locations.

THINGS YOU SHOULD KNOW

- Taulia’s solution is available to clients in 17 different languages.
- Over $300 billion is processed annually over the Taulia network.
- Taulia is currently averaging a daily total of 688 new supplier connections.
- Taulia’s implementation approach takes just 90 secs to onboard new suppliers.
- Over $1 trillion has been processed through Taulia since their inception in 2009.
- Taulia has clients utilizing their solution in 164 countries.

PRODUCT SET

- SCF (Cloud-Based)
  - Traditional Supply Chain Finance
  - Dynamic Discounting
- Solution Components
  - Taulia E-Invoicing
  - Taulia Working Capital
  - Taulia Business Exchange
  - Polaris – Predictive Analytics
- Solution Highlights
  - Coverage of Entire Supply Chain
  - Supplier Friendly
  - Invoicing Rails
  - Advanced Data Science

NOTABLE EVENTS

- International Treasury Management Conference
  - OCT 4-6
  - Barcelona, Spain
- AFP Conference
  - OCT 15-18
  - San Diego, CA
- AP&P2P Conference
  - NOV 12-14
  - Orlando, FL

Headquartered: San Francisco, CA
Ownership: Privately Held

Founded: 2009
CEO: Cedric Bru

Taulia has 7 offices located throughout Europe and North America.
Over 155 million invoices have been processed through Taulia’s platform.
The Taulia network currently consists of more than 1.37 million supplier connections.
Taulia employs more than 200 staff members throughout their 7 office locations.

Taulia’s solution is available to clients in 17 different languages.
Over $300 billion is processed annually over the Taulia network.
Taulia is currently averaging a daily total of 688 new supplier connections.
Taulia’s implementation approach takes just 90 secs to onboard new suppliers.
Over $1 trillion has been processed through Taulia since their inception in 2009.
Taulia has clients utilizing their solution in 164 countries.

Taulia has 7 offices located throughout Europe and North America.
Over 155 million invoices have been processed through Taulia’s platform.
The Taulia network currently consists of more than 1.37 million supplier connections.
Taulia employs more than 200 staff members throughout their 7 office locations.

Taulia’s solution is available to clients in 17 different languages.
Over $300 billion is processed annually over the Taulia network.
Taulia is currently averaging a daily total of 688 new supplier connections.
Taulia’s implementation approach takes just 90 secs to onboard new suppliers.
Over $1 trillion has been processed through Taulia since their inception in 2009.
Taulia has clients utilizing their solution in 164 countries.
Using Taulia, Vodafone Wins “Best in Show 2016” Supply Chain Finance Program

Vodafone, a global telecoms company headquartered in the UK with operations globally and revenues of $50 billion, won the best in show at the Supply Chain Finance Community Forum Awards for its highly innovative supply chain finance program. The program, a financial supply chain solution provided by Taulia, is helping to accelerate $10 billion in payments to its suppliers. On average, payments are accelerated by 51 days with over 12,000 suppliers taking advantage of “free to supplier” e-invoicing and nearly 2,000 suppliers opting to take early payment.

Taulia surpasses $1 trillion in transactions through their platform

One trillion dollars in invoices has now passed through the Taulia platform generated by more than 1.3 million businesses on the network. The scale of the transactions and the number of businesses participating demonstrates that fintech B2B cloud platforms are now providing a game-changing mechanism for businesses to better manage their cash flows. Every day on the Taulia network, nearly $350 million is available for financing.

Taulia Recognized in 2015 Forbes List of Fastest Growing SaaS Companies

The Taulia network is expanding rapidly, and in 2017 has surpassed the company record for the sheer number of suppliers that are being onboarded. In a single day, an average of 688 new suppliers will join the Taulia network. It’s a visible demonstration of the power of SaaS-based technology centered on freeing up cash for trading partners in the supply chain. The hyper-rapid growth that Taulia has achieved since their inception earned them a spot on the Forbes list of fastest growing Saas companies in 2015, and they continue to be one of the fastest-growing fintech providers in the industry.

Taulia Named to Spend Matters 50/50 List for Third Year Running

The Spend Matters 50/50 list is released each year by Spend Matters, a media platform with coverage that focuses on procurement and e-invoicing solutions and services. The 50/50 list is intended to highlight firms that lead the way with new procurement technologies and services and help to drive innovation within the space. In 2017, for the 3rd consecutive year, Taulia was named to the list, which highlights their position in the industry as a leading supply chain finance solution provider.

PRODUCT OVERVIEW

The breadth of Taulia’s product suite stemmed from the idea that while some SCF providers focus solely on either dynamic discounting or supply chain financing, neither program, by itself, addresses a buyer’s entire supply base or early payment program needs. Dynamic discounting works well when a buyer has extra cash and wants to maximize discounts captured and secure their supply chain health by offering suppliers early payment options, resulting in increased margins or yield for the buyer.

However, if funds are limited or a buyer wishes to limit their dynamic discounting program to a specific segment of suppliers, a buyer may go with traditional supply chain financing. This enables a buyer to offer early payments to their suppliers utilizing 3rd party cash. The objective typically is to increase DPO and working capital for the buyer with early payments for selected suppliers. SCF programs work well for large suppliers that can be approved by the 3rd party financing organization. This is the typical bank funded model and results in limiting supplier participation to only the larger suppliers.

Companies wishing to utilize both dynamic discounting, and traditional supply chain finance programs on a single platform have limited options. Taulia’s integrated, SaaS-based network for electronic invoicing, dynamic discounting and traditional supply chain finance is one available option. Taulia’s single platform enables buyers to scale their programs to their entire supplier base and leverage the combined learning of their supplier behavior, as well as the accumulated behavior of suppliers on the Taulia platform, to optimize their programs to increase yield and free up working capital.

At their founding, Taulia was focused on providing solutions that centered around automating and simplifying the invoicing process. While this vision continues to influence their direction
today, Taulia has expanded their product suite to encompass the entire invoice-to-pay lifecycle, with solutions that focus on reducing processing costs, freeing up working capital, capturing discount yield, and assuring supply chain health. Taulia’s product suite consists of four unique solutions; Taulia Invoicing, Taulia Working Capital, Polaris (a predictive analytics engine), and Taulia Business Exchange. These four solutions, all offered via the Taulia network, are available in 17 different languages, including Chinese, Dutch, English, French, German, Greek, Italian, and Japanese.

- **Entire Supply Chain Coverage.** As an integrated solution of both buyer funded dynamic discounting and 3rd party funded SCF, Taulia allows buyers to cover their entire supply chain with an early payment solution that offers a single ERP integration, supplier user interface, and legal framework.

- **Supplier-Friendly.** While Taulia goes to great lengths to ensure the satisfaction of buyers, their solution approach emphasizes the needs and concerns of suppliers. A supplier pays no fees to participate on the Taulia platform, and their supplier user interface is easy to use. Their intuitive UI, along with a hands-on supplier outreach program, helps to drive rapid supplier adoption while creating a Taulia community of suppliers in the process.

- **Invoicing Rails.** Just like in a physical supply chain, any company looking to implement a dynamic discounting or supply chain financing program for their financial supply chain must consider the source or “raw materials” for their programs. For a financial supply chain, this raw material is approved invoices. To optimize one’s DD and SCF programs, Taulia believes that you must implement an e-invoicing process. Not only does this help reduce costs, a key performance indicator for most CFOs, but it reduces the invoice approval cycle time, thus increasing the flow of the raw materials required to optimize your programs.

**PRODUCT FUNCTIONALITY**

- **Taulia™ Business Exchange**
  Taulia™ Business Exchange is a multi-party cloud platform facilitating business processes between buyers, suppliers, and funders. This single-instance SaaS solution is integrated with the customer’s ERP and provides supplier self-service functions, including PO delivery, invoice status, payment status, remittance information, and access to supplier information management functions. The solution includes a highly-automated supplier onboarding engine that typically allows a supplier to be onboarded in 90 seconds. This streamlined approach for supplier onboarding results in significantly high usage rates. While their platform is ERP agnostic, the Taulia Business Exchange is fully certified with SAP ECC and S/4 HANA.

- **Taulia Working Capital**
  The Taulia Working Capital Management solution enables buyers to offer their suppliers a unified and easy-to-use early payment solution. On this early payment marketplace, suppliers receive early payment offers from all their buyers and can decide if, when, and which offers to accept to optimize their working capital needs. Intuitive and easy-to-use, the solution helps suppliers to maximize cash flow and to automate the process based on their needs. At the same time, buyers can set up their programs as a mix of buyer-funded dynamic discounting and 3rd party funded supply chain finance, supported by a network of over 50 funders. As buyers’ business needs change, they can vary their benefit between margin capture (dynamic discounting) and working capital gains (supply chain finance) in a way that is transparent to participating suppliers. This way, suppliers enjoy uninterrupted access to liquidity while buyers can improve working capital and simultaneously generate margin improvements without negatively impacting DPO.
TAULIA

Product Functionality

Taulia’s dynamic discounting solution is compliant in such countries where regulations require signed, supplier-generated credit notes and appropriate tax treatment for the discount amounts.

Polaris

Polaris is a predictive intelligence solution that plays a pivotal role in delivering successful working capital programs. Polaris draws on network-wide data across one million supplier connections as well as various external big data sources. Using data science techniques like machine learning, Polaris constantly observes supplier behavior and analyzes patterns across a large set of characteristics in order to identify optimal trade-offs between early payment offer, adoption rate, and program liquidity limits.

The resulting predictive models are then used to adjust supplier-specific early payment offers, drive automated outreach to supplier users, and enable buyers to measure and maximize their program success.

Taulia Invoicing

Taulia Invoicing enables buyers to streamline their accounts payable process, eliminate paper invoices and manual work, improve invoice accuracy and accelerate invoice approval. Taulia Invoicing is a scalable electronic invoicing (e-invoicing) platform where suppliers can submit invoices to the buying organization using a variety of flexible e-invoicing submission options. All electronic invoicing methods are completely free for suppliers. Taulia provides global electronic invoice compliance in 50+ countries. While Taulia Invoicing is a 100% optional capability, in the context of Taulia Working Capital it increases the early payment window and eliminates all manual effort for AP in countries where supplier-signed credit notes and VAT adjustments are required.

STRENGTHS

Predictive Analytics Engine

One of the unique benefits of utilizing Taulia’s solution lies in their Polaris feature. Polaris, a predictive intelligence solution, compiles data obtained through the entire Taulia network of 1.3 million suppliers to generate a holistic view of supplier behavior and patterns. This information is then used to identify optimal trade-offs between payment offers, key statistics related to a client’s supplier adoption rate, and key liquidity limits for individual users. These predictive models can then be used by organizations for tailoring their program to reach maximum potential. The set of metrics provided by Polaris are crucial for measuring program success and for identifying areas for program optimization. For organizations striving to gain the most out of their SCF program, Polaris is a robust tool that can strongly aid in this endeavor.

Supplier Onboarding Strategy

Another area in which Taulia provides additional value-add for clients is related to their supplier onboarding approach. Taulia recognizes that allowing an easy path for suppliers to be onboarded to their solution is pivotal in ensuring supplier participation and thus promoting the objectives and goals of the buying organization. In order to encourage supplier participation, Taulia offers a supplier onboarding program that takes on average just 90 seconds for suppliers to be uploaded and begin use of the solution. After 90 seconds, suppliers can login to the portal and begin uploading invoices electronically for use within the system. Additionally, suppliers pay no fee for their onboarding and are provided with access to a supplier-outreach program and support portal for help with growing accustomed to the solution and optimizing their use of the tools available to them. These components of Taulia’s supplier-oriented approach go a long way in ensuring supplier satisfaction and are a major boost for buyers looking to maximize their program.
CUSTOMER SUPPORT

For customer support and success, Taulia considers both the buyer and supplier as customers since both must participate in a transaction to make it happen. Because each constituency has different requirements and success needs, Taulia provides two separate paths for support, designed for the needs of buyers and suppliers.

▪ **Buyer Support.** Even before signing with Taulia, buyers become part of their four-stage customer success program. This program kicks off with a business case analysis utilizing Taulia’s Polaris predictive intelligence engine. This analysis creates the fastest path to ROI realization for clients. Implementation starts with the configuration and ERP integration and quickly moves to Acceleration stage. In this stage, supplier on-boarding and outreach starts along with any supplier integration. Acceleration and Achievement stages are reiterative as a buyer’s program expands. For additional support, buyers are provided with a range of service levels, including Premier and Premier Plus packages, that they can purchase beyond the basic level of support. For all service levels, the primary structure is outlined via the table below.

Support channels can be found on Taulia’s website via [support.taulia.com](http://support.taulia.com) and include:

- **Knowledge Base:** FAQs, how-to documents, and customer specific guides.
- **Web Form:** A guided experience to gather all info necessary to create a case or inquiry.
- **Chat:** Chat with a support resource during business hours.
- **Phone:** Talk with a support resource during business hours.
- **Email:** Communicate on existing cases and provide attachments.

▪ **Supplier Support.** With the high number of suppliers utilizing Taulia, the company takes a more business-to-consumer approach to support. This begins with the objective of making the user interface

---

### CUSTOMER SUPPORT LEVELS - PRIMARY STRUCTURE

<table>
<thead>
<tr>
<th>INITIAL RESPONSE TARGET</th>
<th>HOURS OF OPERATION</th>
<th>LANGUAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Level 1 = 2 Hours*</td>
<td>Monday - Friday 12AM - 8PM EST 6AM - 2AM BST</td>
<td>English, German, French and Spanish staff</td>
</tr>
<tr>
<td>Service Level 2 = 4 Hours*</td>
<td>Monday - Friday 12AM - 8PM EST 6AM - 2AM BST</td>
<td>Other languages supported via verbal and written translation services</td>
</tr>
<tr>
<td>Service Level 3 = 6 Hours*</td>
<td>Monday - Friday 12AM - 8PM EST 6AM - 2AM BST</td>
<td><strong>OPEN</strong></td>
</tr>
<tr>
<td>Service Level 4 = 8 Hours*</td>
<td>Monday - Friday 12AM - 8PM EST 6AM - 2AM BST</td>
<td><strong>OPEN</strong></td>
</tr>
</tbody>
</table>

*All in business hours
easy and intuitive. The positive feedback received from their supplier customers regarding the solution’s ease of use suggests that this approach has been well-received. In cases where additional support is required, suppliers have access to Universal Supplier Support. This includes the same channels available to Taulia’s buyer-side clients, as well as the same standard service levels, hours, and language access.

**IMPLEMENTATION**

The Taulia Customer Success methodology includes the resources and activities to implement the Taulia technology as well as to develop a supplier enablement strategy that ensures our customers meet their business case results. Taulia’s methodology leverages data, analytics, and network insights through Polaris™ to drive targeted activities that define, tune, and optimize program results. Taulia provides a project manager, technical consultants, and business consultants, and can complete a typical implementation in an average of three months. During the implementation, Taulia’s consultants work with clients in the areas of supplier enrollment and onboarding, electronic invoicing, working capital management, and internal change management. The goal of the business consultants is to understand their client’s unique business needs and then work with them to develop a custom supplier enablement strategy to ensure adoption of the Taulia Business Exchange™. Taulia analyzes vendor master data to develop a comprehensive
payment terms strategy along with recommended supplier rates and discounting setup, develop a content and messaging strategy based on an organization’s and their supplier’s unique needs, create a detailed schedule for inviting suppliers, and ensure the client’s internal teams are aligned and ready to support the launch of the portal.

After go-live, the Taulia Accelerate program begins and lasts four months. During Accelerate, implementation teams have access to Taulia’s proprietary data analytics technology. The teams conduct analysis that generates critical program insight to drive the actions that build momentum and maximize results for the customer during this phase.

Key business activities that Taulia’s consultants will engage in during this phase include:

- Executing analysis on program and supplier behavior by leveraging proprietary Taulia data analytics technology.
- Compare customer performance and program adoption to Taulia Network actual results to identify specific opportunity areas for adjusting actions.
- Review recommendations and adjustments with clients to tune program (rate adjustments, outreach adjustments in terms of timing, mechanism, message).
- Engage with clients to execute specific, targeted campaigns based on data insight.
- Review campaign success, rates being offered, offers being taken, and overall program activity by supplier group and various segmentations.
- Use insight to align and execute on continued refinement to grow program’s success.

CLIENT TRAINING

The Taulia Business Exchange service is an intuitive self-service solution that generally requires minimal end-user training for both customers (buyers) and their suppliers. That said, a one-day onsite train-the-trainer knowledge transfer session is provided to buying institutions by Taulia through use of the Taulia Business Exchange service, which includes all of Taulia’s solution user guides. For suppliers, Taulia offers a support website tailored for the corresponding customer that includes simple tutorial videos, FAQs, how and when to contact Taulia’s support team versus the customer, and additional training materials to help support their needs.
WORKS CITED

- Figure 3, Page 6: 2016 Global Corporate Debt Demand. S&P Ratings Global.
- Figure 4, Page 7: S&P Capital IQ Data. 2016.
- Figure 6, Page 11: SCF: The Emergence of a New Competitive Landscape. 2015. McKinsey.
- Figure 7, Page 12: Umbrella of Supply Chain Finance. 2013. Euro Banking Association.
- Figure 8, Page 19: Walsworth, Jack. GM Scrambles After Supplier Bankruptcy. 2016. Automotive News.
- Figure 9, Page 19: Jefford, Kasmira. These are the Worst Examples of how Tesco Mistreated Suppliers. 2016. City A.M.
- Figure 10, Page 21: SCF: The Emergence of a New Competitive Landscape. 2015. McKinsey.
- Figure 12, Page 25: Supply Chain Finance in Asia. EuroFinance & HSBC 2016 Survey Report.
- Figure 13, Page 25: SCF: The Emergence of a New Competitive Landscape. 2015. McKinsey.
BAM & FBAR

Bank account management is one of the pivotal processes performed by treasury to ensure compliance with regulations and achieve account visibility for purposes of reporting, maintaining security, and managing risk. With the number of new regulations continually on the rise, this survey seeks to gauge treasury’s reaction to the increased regulatory restrictions and compliance expectations that surround the industry and measure the effectiveness and popularity of bank account management and FBAR services as offered through treasury technology.

CASH FORECASTING & VISIBILITY

For treasurers, an accurate view of available cash is mission-critical. Transactions are taking place in a variety of markets across a number of currencies, and it can be difficult to gather and store all bank information for purposes of forecasting cash flows and maintaining adequate visibility. This survey seeks to gauge the methods by which organizations are seeking to achieve reliable cash forecasting and accurate visibility despite the growing complexity of banking structures. It aims to evaluate the effectiveness and use of technology in addressing these needs.

GLOBAL PAYMENTS

This survey seeks to measure and calibrate the practices, plans, and priorities for payments on a global basis from the view of corporations and banks. There are many changes and challenges confronting these industries, including the heightened risk of fraud, enhanced regulatory measures, and increasing complexity through the creation of additional payment networks. This survey covers a range of important payment structures and practices, along with developments in faster payments, cross-border innovations, and new technology influences, including Blockchain.

LIQUIDITY RISK

This survey seeks to evaluate current liquidity risk mitigation practices and capture both major and minor shifts in corporate strategies as macroeconomic changes and new regulations continue to impact how treasury operates. Key areas include corporate policies and procedures for measuring counterparty exposure, changes in investment policies, evaluations of investment channels, how new regulations are affecting corporate risk strategies, and what levels of visibility organizations maintain into various areas of exposure for purposes of managing their risk.

TREASURY FRAUD & CONTROLS

This survey covers a broad range of current practices and seeks to determine future methods of preventing fraud and implementing a strong controls system for treasury. This survey topic is of particular importance and highly dynamic given today’s climate of new and changing methods of fraud and attack. Key areas of coverage through this survey include control framework and policies, cyber fraud, bank account and transaction level controls, fraud experiences, and policies related to mobile and personal device use.

TREASURY TECHNOLOGY USE

This survey focuses on actual treasury technology use and will be used to determine current market awareness of solutions providers and the need for various modules/functions that they provide. The key aims of this survey are to measure the market’s awareness of current TMS and Treasury Aggregation providers, evaluate the industry’s need for specific functionalities as they are performed by treasury technology providers, and pinpoint areas of the market where growth can be expected or where improvement is required.

B2B PAYMENTS & WCM STRATEGIES

As the B2B landscape evolves, continued economic globalization is having a momentous impact on the strategies through which organizations manage working capital and handle their payment operations. This annual survey captures the responses of both bank and corporate practitioners regarding their views on new payments technology, payment security, working capital management, and the current regulatory environment, as well as how they are thinking about payments and working capital today and tomorrow.

ADDITIONAL SURVEYS INCLUDE:

- Treasury for Higher Education
- Supply Chain Finance
- Treasury Operations
- Benchmarking & Diagnostics

For more information, contact us at benchmarking@strategictreasurer.com.
Contact us today to learn more about our corporate benchmarking services & leading practice evaluations.

MARKET & DATA INTELLIGENCE • 9 ANNUAL SURVEYS • 75+ ANNUAL INDUSTRY MEETINGS • 13 YEARS OF CONSISTENT CLIENT SUCCESS • REAL WORLD EXPERIENCE
TREASURY SECURITY • COMPLIANCE • TREASURY & RISK TECHNOLOGY • FINANCIAL RISK MANAGEMENT • BENCHMARKING • STAFFING • WORKING CAPITAL

525 Westpark Drive, Suite 130
Peachtree City, GA 30269
+1 678.466.2220
strategictreasurer.com
analystreport@strategictreasurer.com