Report

Operational excellence in financing the supply chain benchmarking survey

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Operational Excellence in Financing the Supply Chain Benchmarking Survey

Analyzed Results Summary: February 2015
Determine what steps leading industrial companies are taking to achieve excellence in financing their SCs, with a special focus on cross-departmental and cross-company cooperation and its value contribution.

Interview Series with nine large, multinational companies with purchasing operations in Central and Western Europe.

Companies are already collaborating internally to manage risk and working capital.

In the area of cross-company collaboration, Reverse Factoring is the most popular tool, probably because it gives clear benefits to all parties involved.

Perhaps the most interesting conclusion about the collaborations is that none of the companies interviewed indicated any dissatisfaction with their choice to collaborate, both internally and externally.
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INTRODUCTION
The goal of supply chain management has always been to ensure supply reliability while also reducing costs and streamlining the supply chain (SC). Whereas most companies have traditionally focused only on their own financial status, leading companies are starting to use their influence to increase the financial viability of their entire SC.

This study analyzed what steps leading industrial companies are taking to achieve excellence in financing their SCs. A special focus was placed on cross-departmental and cross-company cooperation and its value contribution.

Interviews were conducted with procurement and/or supply chain finance managers at large international companies with procurement operations in Western Europe. The information gathered during these interviews was analyzed, and the results have been compiled in this summary report.
Supply Chain Finance (SCF) is a vertical financing solution. Unlike Traditional Financing 1 or Horizontal Financing Solutions 2, the financing partners exist in the same SC 3, although they may be assisted by external partners such as FSPs or 3PLs. In this survey, we focused on SCF solutions between buyers and suppliers from the perspective of a large, multinational buyer.
PARTICIPANT DESCRIPTIONS
<table>
<thead>
<tr>
<th>Industry</th>
<th>Turnover</th>
<th>FTEs</th>
<th>Company Structure</th>
<th>Average Spend per Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha</td>
<td>Chemical</td>
<td>€25 – €50 billion</td>
<td>50’000 – 100’000</td>
<td>€700’000</td>
</tr>
<tr>
<td>Beta</td>
<td>Insurance</td>
<td>&gt; €50 billion</td>
<td>&gt; 50’000</td>
<td>€100’000</td>
</tr>
<tr>
<td>Gamma</td>
<td>Consumer Goods</td>
<td>€25 – €50 billion</td>
<td>100’000 – 150’000</td>
<td>€300’000</td>
</tr>
<tr>
<td>Delta</td>
<td>Automotive, Rail, Marine, Aviation</td>
<td>€10 – €25 billion</td>
<td>50’000 – 100’000</td>
<td>€2‘800’000</td>
</tr>
<tr>
<td>Epsilon</td>
<td>Metal Processing</td>
<td>€1 – €5 billion</td>
<td>5’000 – 10’000</td>
<td>€300’000</td>
</tr>
<tr>
<td>Zeta</td>
<td>Consumer Goods</td>
<td>&gt; €50 billion</td>
<td>&gt; 150’000</td>
<td>€400’000</td>
</tr>
<tr>
<td>Eta</td>
<td>Machinery</td>
<td>€5 – €10 billion</td>
<td>10’000 – 50’000</td>
<td>€300’000</td>
</tr>
<tr>
<td>Theta</td>
<td>Automotive, Rail</td>
<td>€5 – €10 billion</td>
<td>10’000 – 50’000</td>
<td>€1‘200’000</td>
</tr>
<tr>
<td>Iota</td>
<td>Chemical</td>
<td>€25 – €50 billion</td>
<td>50’000 – 100’000</td>
<td>€700’000</td>
</tr>
</tbody>
</table>

* Non-Euro Currencies Converted using average exchange rate for 2013
** See page 7 for descriptions of the different company structures
COMPANY STRUCTURE DESCRIPTIONS

**TYPE A**
- Beta
- Epsilon
- Iota

**CORPORATE**
- Finance
- Procurement
- Division 1
- Division 2
- etc...

**TYPE B**
- Alpha
- Gamma
- Delta
- Zeta

**CORPORATE**
- Finance
- Procurement
- Division 1
- Division 2
- etc...

**TYPE C**
- Eta
- Theta

**CORPORATE**
- Finance
- Procurement
- Division 1
- Division 2
- etc...
CROSS-DEPARTMENT COOPERATION
Cross-Department Cooperation in the context of SCF is defined as a cooperation between Procurement and Finance Departments with the goal of improving Risk Management and/or Working Capital Management.

Summaries of the information gathered about collaborations with the goal of improving Risk Management and Working Capital Management are included in this summary report.
The identification, assessment, and prioritization of risks followed by the employment of resources to minimize, monitor, and/or control the impact and/or probability of the occurrence of an event (Hubbard 2009).
<table>
<thead>
<tr>
<th>Internal Collaboration</th>
<th>Area</th>
<th>Application (Survey Results)</th>
<th>Related Literature</th>
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<tr>
<td></td>
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<td>Possible Actions</td>
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<td></td>
<td></td>
<td>Communication of Upcoming Orders (e.g. in order to hedge currencies)</td>
<td>Hoffman 2011</td>
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<td></td>
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<td>Contracts Paid in Other than Local Currency</td>
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<tr>
<td>Risk Management</td>
<td></td>
<td>Finance Evaluation at Request of Procurement</td>
<td>Jung, Lim and Oh 2011</td>
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<td></td>
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<td>Finance Evaluation for Every New Supplier</td>
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<td>Finance Support for Contract Writing</td>
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<td></td>
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<td>Possible Actions</td>
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<td>Periodic Evaluations of All Suppliers by Finance</td>
<td>Jung, Lim and Oh 2011</td>
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<td></td>
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<td>Periodic Evaluations of Critical State Suppliers by Finance</td>
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<tr>
<td></td>
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<td>Periodic Evaluations of Critical Suppliers by Finance</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Periodic Evaluations of Large Suppliers by Finance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Finance Consulting on Pricing Contracts (e.g. Two Part Contracts, Price Adjustment Clauses, ...)</td>
<td>Li and Kouvelis 1999</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communication of Upcoming Orders (e.g. to hedge commodity price)</td>
<td></td>
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</tbody>
</table>
As can be expected, the most commonly stated goal for the cooperation is Calculated Risk Reduction.

However, some companies indicated that cooperation with finance helps to mitigate their legal risks as well.

Most companies have no way of measuring the success of their cooperation in this area.

One exception was Company Beta. As a measure of their risk, they use the amount of Risk Money they must set-aside year-over-year to cover their risks.

As an performance indicator of of their success in Currency Hedging, Company Epsilon compares their progress against that of the free market.
**Higher Satisfaction Levels Correlate with Advancing State of Cooperation.**

Almost all companies that have a fully integrated status, reported the highest level of satisfaction.

Three-quarters of the fully integrated cases, have a company structure where Procurement is a subset of the Finance Department.

All participants reported at least some level of collaboration in this area.
Positive Correlation between Amount of Resources Made Available and Satisfaction Level.

**SAFISFACTION LEVEL VS COLLABORATION TYPE**

![Graph showing the correlation between collaboration type and satisfaction level.

- **Collaboration Type:**
  - Integrated team
  - Separate teams
  - Coordinator/mgr.
  - Periodic reviews
  - Self help tools
  - Ad hoc

- **Satisfaction Level:**
  - Very Dissatisfied
  - Dissatisfied
  - Neutral
  - Satisfied
  - Very Satisfied

**Alpha**, **Beta**, **Gamma**, **Delta**, **Epsilon**, **Zeta**, **Iota**, **Eta**

**Note:**

- **Very Dissatisfied**
- **Dissatisfied**
- **Neutral**
- **Satisfied**
- **Very Satisfied**
Having a Standard Procedure for Use of Collaboration is Correlated with Higher Satisfaction.
Communication between cooperation members was the most frequently mentioned successful implementation requirement.

In interviews, link was made between proving a Feasible Business Case to gain Top Management Support so the team could obtain Sufficient Resources (FTE, funds, etc.) to successfully initiate the scheme.

After the initial set-up, Communication, Simplicity, and Close Team Proximity were cited as success factors.
**Company Alpha** states that the key to them being-able to expand their inter-department cooperation, is to successfully present a business case to the finance department in order to obtain more FTEs.
The management of the balance of the current assets and liabilities of a company through cash, inventory, payables, receivables, and short terms loans and borrowing (Basu and Nair 2012).
<table>
<thead>
<tr>
<th>Internal Collaboration</th>
<th>Area</th>
<th>Application (Survey Results)</th>
<th>Related Literature</th>
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<tbody>
<tr>
<td><strong>Working Capital Management</strong></td>
<td>Compare Supplier Offers</td>
<td>Finance Supported Self-Help Tools (e.g. TCO-Tools)</td>
<td>Carr and Pearson 1999, Ho, Zu and Dey 2010</td>
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<td></td>
<td></td>
<td>Finance Supported Contract Evaluation Model</td>
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<tr>
<td></td>
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<td>Finance Evaluations on Request</td>
<td></td>
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<td></td>
<td></td>
<td>Finance Evaluations for Every Contract</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Working Capital (DIH, DPO), Spend (Gross Spend, Spend Growth Against Market, TCO), Inventory (Inventory Level, DIH)</td>
<td></td>
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<tr>
<td></td>
<td>Better Target Setting</td>
<td>Joint Target Setting regarding Working Capital</td>
<td>Hofmann, Maucher, Piesker et al 2011</td>
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<tr>
<td></td>
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<td>Finance Support for Target Setting</td>
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<tr>
<td></td>
<td></td>
<td>Target Setting (% Targets Achieved, % Deviation from Target)</td>
<td>Wouters and Verdaaskdonk 2002</td>
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<tr>
<td></td>
<td>Implement SCF Program</td>
<td>Finance Advice for Suppliers with best ROI</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Finance Advice for SCF Measures with best ROI</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Working Capital (DIH, DPO), Spend (Gross Spend, Spend Growth Against Market, TCO), ROI</td>
<td>Basu and Nair 2012, Hofmann, Maucher, Piesker et al 2011</td>
</tr>
</tbody>
</table>
**GOALS**

*Financial Performance Improvement* was the stated goal for all companies, except the one. This company also happens to be only operating on an ad-hoc basis.

**MEASUREMENT**

*Required Capital Reduction* was the most common performance indicator for success in this area.

Although some companies officially indicated *Inventory Reduction* as their performance indicator, those companies gage their WC level at least partially through their inventory levels.
Higher Satisfaction Levels Positively Correlate with Advancing State of Cooperation.

No company that has implemented some sort of cooperation has indicated negative feelings about it.
Positive Correlation between Amount of Resources Made Available and Satisfaction Level.
More Extensive Use of the Collaboration and Satisfaction Level Positively Correlate.
Presenting a **Feasible Business Case** was the most mentioned requirement for successful implementation.

Other factors mentioned include **Communication, Top Management Support, Close Team Proximity, Employee Support**, and having **Sufficient Resources**.
**COMPANY EXPERIENCES**

**Company Alpha** is currently working with a large accounting firm on a WCM project to help them standardize their payment terms to match the country norms.

Only **Company Beta** has not yet implemented a cooperation in this area, although they are currently developing one. Because of their low overall purchasing volume in comparison to their turnover and their industry, they have made **Risk Management** a much higher priority in their cooperation than **Working Capital Management**.

**Company Gamma** has a standardized procedure to evaluate the risk and working capital impact of new contracts. Before talks with any supplier commence, they insert potential contract details into a proprietary model that evaluates the risk and working capital impact of the contract. If the model does not indicate favorable results, the talks do not take place.

Only **Company Gamma** reported being highly satisfied in this area, but they also indicated they had trouble in the first 6 months of introducing the scheme. They indicated that the employees were doubtful of the scheme at the beginning and that it was not well coordinated. However, after they introduced an FTE with the sole job of coordinating the separate teams involved, employee support rose dramatically and the cooperation now consistently beats its performance objectives.
CROSS-COMPANY COOPERATION
Cross-Company Collaboration is defined as a cooperation between two or more companies along the supply chain with the goal of improving the financial situation of one or more of the participating companies.

In this survey, three categories of cross-company collaboration were examined:

1. Supplier Financing Buyer
2. Buyer Financing the Supplier
3. Externally Supported Financing of Buyer or Supplier
SUPPLIER FINANCING BUYER
EXAMPLE: LONG PAYMENT TERMS

1. Supplier delivers product and invoice to buyer.

2. Buyer pays invoice a period of time later (in this survey defined as more than 125% of the norm for the industry/country).

Buyer benefits by increasing its Days Payable Outstanding (DPO).

Other Examples: Consignment Stock, VMI, etc...
<table>
<thead>
<tr>
<th>External Collaboration</th>
<th>SCF Method</th>
<th>Application (Survey Results)</th>
<th>Related Literature</th>
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<tr>
<td></td>
<td></td>
<td>Mentioned Goal</td>
<td>Suggested Situations</td>
</tr>
<tr>
<td>Finance</td>
<td>Consignment Stock</td>
<td>Working Capital (DIH), Inventory (Inventory Level), Supply Availability (Stock Out Probability, Supply Stability, Service Level)</td>
<td>Suppliers with Uncertain Delivery Times, Pareto &quot;A&quot; Supplier, Consumption Goods Suppliers</td>
</tr>
<tr>
<td></td>
<td>Standardized Payment Terms</td>
<td>Working Capital (DPO), Contracts (Negotiation Time, Standardize)</td>
<td>All Suppliers excluding special cases (e.g. those who are also customers, those with a special market position)</td>
</tr>
<tr>
<td></td>
<td>VMI</td>
<td>Working Capital (DIH), Inventory (Inventory Level), Supply Availability (Stock Out Probability, Supply Stability, Service Level)</td>
<td>Suppliers with Robust Supply Chains, Trustful Suppliers</td>
</tr>
</tbody>
</table>
**GOALS**

**Required Capital Reduction** was the most stated goal of implementing these types of SCF schemes. **Financial Flexibility, Ensuring Inventory Availability**, and **Reducing Inventory Levels** were also stated as goals.

**METHODS**

**Consignment Stock** and **Long Payment Terms** were the SCF schemes most employed in this area. Other schemes that were mentioned included **VMI** and **Standardized (Long) Payment Terms**.
There is no evidence to indicate that the implementation stage or measures chosen affect the satisfaction level of the buyer or supplier.

All of the companies questioned indicated at least a positive satisfaction level.

Higher product prices or additional benefits such as access to sales data (e.g. by using VMI) or Supplier Financing Programs (e.g. Reverse Factoring) help to ensure supplier satisfaction.

In all instances, the impetus to implement a measure was internally motivated.
Having "Win-Win" Terms for both the Buyer and the Supplier along with constant Communication were the most mentioned requirements for success.

Other factors for success mentioned include Respecting Power Dynamics, Company Priority, Feasible Business Case, Sufficient Resources, Cooperation, Internal Support, and Meeting Industry Norms.

Respecting Power Dynamics was especially a concern for those companies that are either smaller than the supplier or have suppliers that are also customers.

It was often mentioned that the ROI for the time spent negotiating each contract must be there. Therefore most companies focus on suppliers with a large purchasing volume.
Only **Company Zeta** indicated **dissatisfaction from the suppliers** in reference to their use of **Consignment Stock**. But this relates not to the use itself, but the way it is implemented (unused stock pushed back to supplier without payment).

**Company Delta** looks across divisions for common suppliers and negotiates **Consignment Stock contracts** with them in a block as a way to get a better **ROI** on their time.

**Company Epsilon** is renegotiating the terms of new CapEx purchases so that the **balance is paid over the depreciation period** of the machine by using different facilities such as promissory notes, supplier granted extended payment schemes, operating and financial leasing, and real estate leasing, instead of payment upon receipt.

**Company Delta** previously took a hard stance on implementing **consignment stock** with their suppliers, but they now use it as the first step in **supplier improvement programs**; as the suppliers improve, the contracts are renegotiated.
Buyer Financing Supplier
**EXAMPLE: DYNAMIC DISCOUNTING**

1. Supplier delivers product and invoice to buyer.

2. After invoice approval, Supplier decides when they would like to be paid. However, if they would like payment before the invoice maturity, the Buyer is given a percentage discount on the invoice.

Buyer benefits by receiving a discount on the product. The Supplier benefits by being paid sooner.

Other Examples Include: Advanced Payment, Buying Supplier, Long Term Loans, Pre-Finance of Raw-Material, Short Payment Terms, etc...
## Supplier Financing Reference Table

<table>
<thead>
<tr>
<th>External Collaboration</th>
<th>SCF Method</th>
<th>Application (Survey Results)</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Mentioned Goal</td>
<td>Suggested Situations</td>
</tr>
<tr>
<td>Supplier Financing</td>
<td>Advanced Payment</td>
<td>Risk (Supplier Retention Rate, Supplier Default Rate), Spend (Gross Spend, Spend Growth Against Market, TCO)</td>
<td>CapEx Projects (Internal and Supplier), Media Buys, Conforming to Inventory Norms</td>
</tr>
<tr>
<td></td>
<td>Buying Supplier</td>
<td>Supply Availability (Stock Out Probability, Supply Stability, Service Level)</td>
<td>Critical Suppliers in Dire Financial Circumstances</td>
</tr>
<tr>
<td></td>
<td>Dynamic Discounting</td>
<td>Supply Availability (Stock Out Probability, Supply Stability, Service Level), Spend (Gross Spend, Spend Growth Against Market, TCO)</td>
<td>High Liquidity</td>
</tr>
<tr>
<td></td>
<td>Long Term Loans</td>
<td>Risk (Supplier Retention Rate, Supplier Default Rate), Supply Availability (Stock Out Probability, Supply Stability, Service Level)</td>
<td>Exceptional Circumstances with Critical Suppliers</td>
</tr>
<tr>
<td></td>
<td>Pre-Finance of Raw Material</td>
<td>Risk (Supplier Retention Rate, Supplier Default Rate), Supply Availability (Stock Out Probability, Supply Stability, Service Level), Spend (Gross Spend, Spend Growth Against Market, TCO)</td>
<td>Hold stock at Supplier, Exceptional Circumstances with Critical Suppliers</td>
</tr>
<tr>
<td></td>
<td>Short Payment Terms</td>
<td>Risk (Supplier Retention Rate, Supplier Default Rate), Supply Availability (Stock Out Probability, Supply Stability, Service Level), Spend (Gross Spend, Spend Growth Against Market, TCO)</td>
<td>Suppliers who need Temporary Help with Capital, Quick and Simple Solution Desired</td>
</tr>
</tbody>
</table>
Ensuring Inventory Availability is by far the most important factor in implementing SCF methods in this category. Other factors mentioned include Accessing Product Discounts and Meeting Industry Standards.

Advanced Payments were cited as being used the most, followed by Short Payment Terms, Long Term Loans, Pre-Financing of Raw Material, and Buying Suppliers, respectively.
There is no evidence to indicate that the implementation stage or measures chosen affect the satisfaction level of the buyer or supplier.

Those companies that indicated the use of Advanced Payments often did so because of industry standards (e.g. media buys) or as part of supplier CapEx projects. In the case of CapEx projects, the company could then leverage this to ensure better availability and/or product discounts.

In all instances, the impetus to implement a measure was at the request of the supplier.

Most companies do not step-in to help their suppliers until specifically asked by them to do so, however internal risk evaluations are sometimes done to flag risky suppliers so a dialogue can be opened before the supply is interrupted.
Communication, Cooperation, and “Win-Win” Terms are seen as the most important factors to success in this category.

Simplicity, Sufficient Resources, Feasible Business Case, and Meeting Industry Norms were also cited as factors for success.

“Win-Win” Terms does not always mean a clearly mutually beneficial financial arrangement. In some cases, maintaining a supplier or having quick access to supplies is considered more important than finding the least expensive solution from a payment terms and price standpoint.

To many companies, the concern about maintaining supply continuity is so important that they are often willing to take a financial hit (temporary or slightly more permanent) to avoid a supply disruption.
Company Zeta uses Short Payments Terms as a quick, simple, and temporary to help suppliers in trouble who request it, particularly those in countries experiencing economic crises. As soon as the supplier is no longer in danger the terms jump back to their standard length.
EXTERNALLY SUPPORTED FINANCING OF BUYER OR SUPPLIER
Example: Reverse Factoring

1. Supplier delivers product and invoice to buyer.

2. After invoice approval, Supplier decides when they would like to be paid by the bank. However, if they would like payment before the invoice maturity, the Bank is given a percentage discount on the invoice.

3. The Buyer pays the Bank the value of the invoice at the normal payment date.

Buyer benefits by increasing DPO (in case Reverse Factoring, it is used to renegotiate payment terms). The Supplier benefits by being paid sooner and, depending on the Reverse Factoring solution, by having payment date flexibility.

Other Examples Include: FSP Inventory Financing, 3PL Inventory Financing, etc...
## Externally Supported Financing Reference Table

<table>
<thead>
<tr>
<th>External Collaboration</th>
<th>SCF Method</th>
<th>Application (Survey Results)</th>
<th>Related Literature</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mentioned Goal</td>
<td>Suggested Situations</td>
</tr>
<tr>
<td>Externally Supported</td>
<td>Reverse Factoring</td>
<td>Risk (Supplier Retention Rate, Supplier Default Rate), Spend (Gross Spend, Spend Growth</td>
<td>Strategic Suppliers, Large Volume Suppliers, Suppliers Unable to Achieve Better</td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td>Against Market, TCO), Working Capital (DPO)</td>
<td>Interest Rates Alone</td>
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<tr>
<td></td>
<td>FSP Inventory Financing</td>
<td>Spend (Gross Spend, Spend Growth Against Market, TCO)</td>
<td>Commodities</td>
</tr>
<tr>
<td></td>
<td>3PL Inventory Financing</td>
<td>Spend (Gross Spend, Spend Growth Against Market, TCO)</td>
<td>Items with Long Transit Times</td>
</tr>
</tbody>
</table>
The main goal in implementing these schemes is to Reduce the Required Amount of Capital. Secondarily, the goal is to access Product Discounts. Others also mentioned reduction of inventory levels, financial flexibility, and ensuring inventory availability.

Reverse factoring is the only SCF measure companies have implemented on a broad scale in this category, although some companies are planning other schemes or running some on a very limited basis.

There was one example of FSP Inventory Financing, but this was implemented on a limited scale.
Five of the nine participating companies apply a reverse factoring solution.

All companies that have implemented a reverse factoring scheme are highly satisfied.

All except the suppliers of one company were indicated as being highly satisfied.

Most companies find that it is best to implement Reverse Factoring with those suppliers that are not large enough to get better financing conditions than yourself, but with whom you still do a large volume of business.
Offering a **feasible business case** to all parties (i.e. offering "Win-Win" Terms), is key to getting the program started and attracting suppliers to the program.

**Communication** is key throughout the entire process, both with the external parties and internally in the company. It was stated multiple times that is is extremely important that the internal members understand how the scheme works, because they must explain it to the suppliers, who often don’t understand how it works or how they will benefit from it (particularly smaller suppliers).

Having **sufficient technology** is also cited by many companies as being key to the success of the scheme.
**Industry Experiences**

**Company Epsilon** finds that although the cost of money is currently very low for many of their suppliers, that does not always mean that they have access to the amount they want.

**Company Zeta** has found **FSP Inventory Financing** complicated to implement and the goods to which they could apply it very limited (mostly commodities).

Although they had heard that IT changes would be large, **Company Eta** was pleasantly surprised to discover the required amount of changes (e.g. SAP adjustments) lower than expected.

**Company Theta** only implements **Reverse Factoring** with those suppliers with whom they plan to have a long term relationship, as the ROI doesn’t exist otherwise.

**Company Theta** finds that suppliers typically go for immediate payment when possible.

Although the original aim of their **Reverse Factoring** program was to access product discounts, **Company Theta** also found it useful to stabilize suppliers during the Financial Crisis.

**Company Iota** can offer some insight in the area of supplier dissatisfaction. They find that supplier satisfaction suffers slightly with the **Reverse Factoring Program**, not because of the program parameters, but because of the new visibility it brings to invoices and operational issues surrounding them.

**Company Iota** finds that the entire process of onboarding a supplier (including contracts, installations, etc.) to the **Reverse Factoring Program** (from initial decision to system smoothly running) takes about 3 months.
CONCLUSION
This survey studied cross-department and cross-company cooperation with relation to Supply Chain Finance in large, western companies. The experiences of purchasing, SCF, and finance managers were collected and analyzed to find best practices and interesting insights.

The results show that companies are already collaborating internally to manage risk and working capital. In the area of cross-company collaboration, Reverse Factoring is the most popular tool, probably because it gives clear benefits to all parties involved. Perhaps the most interesting conclusion about the collaborations is that none of the companies interviewed indicated any dissatisfaction with their choice to collaborate, both internally and externally.
**ALPHA**

2 Participants:
- **Senior Sourcing Mgr.**
- **Director of Business Services EMEA**

**BETA**

1 Participant:
- **Head of Procurement**

**GAMMA**

2 Participants:
- **SCF Mgr. Europe**
- **Procurement Finance Controller**

**DELTA**

1 Participant:
- **Project Mgr. for SCM**

**EPSILON**

1 Participant:
- **CPO**

**ZETA**

2 Participants:
- **Finance Manager Indirects Procurement Global**
- **Finance Manager Procurement - Packaging + Americas**

**ETA**

1 Participant:
- **Corporate Treasury**

**THETA**

1 Participant:
- **Head of Materials Excellence (Inbound Only)**

**IOTA**

1 Participant:
- **Finance Director of Purchasing Department**


