Specific-Group
Software Solutions

van den berg
the transaction people

Instant Payment in Supplier Finance
ECB – Elevator Pitch

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An Idea in Corporates Cash Management **van den Berg** and **Specific-Group**

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Existing IP-Product	Expertise
TIPS/RT1 connection	Product Development
Banking as a Service	IT-Services

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The Challenge today: CM demands in Supply Chain

Inefficiencies and liquidity demands on Supplier side

The Supplier
(e.g. Tier 3/4)

Contract about
- Delivery: 100 parts / mo.
- Payment terms : 60 days
- Timeframe: 5 months

The OEM
(Manufacturer)

The Supplier	**Start of the delivery** according to the contract	**The OEM starts using the parts**
The Supplier	**Sends an invoice**	**The OEM checks the invoice against the contract/ specification**
The OEM	**Processes the invoice** in regular steps after acceptance	**The supplier can request for supplier finance**
The OEM	**Triggers the payment** according payment terms	**The supplier will be paid**

Challenges for the Supplier:

1. **Liquidity GAP on Supplier side**
2. **Credit/ Liquidity costs: Supplier**
3. **Liquidity based on accepted invoice(s) only**
4. **Lack of real-time End 2 End transparency**

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A change in Supplier finance + Instant Payment

Business opportunity for all process participants

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Solution:

1. Short cuts in the process by more transparency
2. Immediate Payments/ Liquidity
3. Placing finance options on an OEM owned account – connected to production data
4. Change of contractual frame conditions

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Independently from the offering party

The change creates business value and fosters banking

The Supplier
(Manufacturer)

+ Liquidity earlier than payment terms
+ Better Interest Rates
+ More Revenue
+ OEMs who go that path could be preferred
+ End-2-End-tracking of items produced, delivered, paid

The OEM
(Manufacturer)

+ Better conditions of the supplier
+ Better relationship to the Supplier (more influence)
+ End-2-End-tracking of items used in manufacturing

The Business Platform

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The Supplier Bank

+ Supplier bank finances: revenue from Interest spread: Supplier/ OEM
+ Better conditions for supplier
+ Keeps account/ Transaction
+ As operator of that Supplier Finance: additional business/ better relationship
+ End-2-End-tracking of items invoiced, financed and paid

The OEM Bank

+ More transactions and new relationships
+ Information about supplier – access to new customers (financing them)
+ Add. offering by Virtual (Cash) Accounts
+ As operator of that Supplier Finance: additional business/ better relationship
+ End-2-End-tracking and business transparency: new business

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Join us at the booth.