

Whitepaper

# Every business counts

## How to scale your supplier finance program



## Why use supplier finance?

Every corporation has different reasons for embarking on a supplier finance program. For some, it's the financial benefits that stand out. For others, it's a wish to support specific segments of suppliers such as minority-owned or female-led businesses.

Perhaps the most common motivation in these times is to increase the financial health of the supply chain by increasing access to finance, making it robust enough to keep goods and services flowing even when times are hard.

Knowing at the outset what you aim to achieve is essential, it will shape the way your program grows. For example, if your company is cash-rich but reducing the cost of goods sold (COGS) is a priority, then a self-funded dynamic discounting program would be the right option. If you want to limit use of your cash, then a reverse factoring approach might be best. With SAP Taulia, you have the choice - and you can flex between the two as your needs change.

At SAP Taulia, we've worked with companies and organizations with all these objectives and more, and along the way, we've learned a thing or two about what works and what doesn't. When you work with SAP Taulia, we'll make a team of experts available. Our customer success team has years of experience implementing similar programs, often in treasury roles within large corporations like yours. It's that experience, backed by our market-leading technology and processes, that gives SAP Taulia clients a better result.

Now we've distilled that experience down to six essential steps to help your supplier finance program succeed where others lose momentum, keeping the benefits flowing through your entire supply chain and bringing low-cost finance to suppliers who simply may not be able to access it elsewhere.

We don't claim these are exhaustive, but we do offer them as a guide to what to consider when you're beginning to think about supplier finance.

### Six essential steps to help you succeed

1. Segment your supplier
2. Set the pace
3. Operational readiness
4. Go live
5. Program maturity
6. Continuous improvement

# 1

## Segment your suppliers

Once you know what you're aiming to achieve with your supplier finance program, you're in a better position to predict which of your suppliers are most likely to take advantage of the finance offer. This allows you to plan for success, setting achievable targets that are based on real-world data from your spend file. Some of the questions you might ask at this stage are:

- What funding will I need?
- What internal resources will I need?
- What percentage of suppliers should I expect to take up the offer?

At this stage, you will be working closely with an experienced SAP Taulia consultant, who has a wealth of previous experience of programs like yours on which to draw.

Together, you and your SAP Taulia advisor will bring the power of SAP Taulia's advanced analytics to bear on your data. We'll use our technology to give you practical, actionable insights into your supply chain, so you can target all your suppliers, not just the top 50 by spend. When you're ready to talk about the shape of your program, SAP Taulia empowers your business with the ability to dynamically leverage your own balance sheet or a wide range of third-party funders to provide finance to your suppliers.



## 2

### Set the pace

How fast would you like your program to grow? Whatever some SCF providers might claim, it's improbable that all your suppliers will rush to join your program on day one. You'll need to reach out to them, and the rate at which you can do that will be governed by the resources you have available.

However small your team, they won't be alone in facing this challenge: SAP Taulia acts as a 'force multiplier' for your in-house team. We'll harness the power of predictive analytics to help set expectations, and our global, multilingual team of supplier outreach representatives will work with you to execute your onboarding project.

## 3

### Operational readiness

You're all set to launch but taking your program from theory into practice calls for excellent skills in communication and change management. You'll need to make sure all your internal stakeholders are invested in your program's success, from procurement through treasury to IT, legal, and compliance. Not all these teams will see the benefits of what you're planning without explanation, so it's essential to be able to explain, not just what is happening but why emphasizing the benefits to suppliers as well as to your own business.

The best route to success is to ensure you have senior sponsorship, ideally at an exec level, and to set up an operating group with membership from across the business to steer you to success.

Once again, your SAP Taulia consultant will be by your side as you communicate with your colleagues, build your operating committee, and secure that all-important buy-in from senior stakeholders. We've gone through this process hundreds of times before, and we have everything you need to succeed, starting with success metrics based on previous rollouts and backed by a great communication package, plus sound advice on how to demonstrate ROI to different groups within the business.

This goes way further than just some email templates; we'll work with you to craft a complete communications package that brings everyone along with you. That might include brochures in multiple languages, site meetings to brief key personnel, and a full suite of online resources for you to use.



# 4

## Go live

This is the moment. Your preparation is paying off, you know you're ready, and your program is going live for suppliers. Now comes the hard work of onboarding suppliers at speed and at scale, to ensure that you deliver maximum benefits to as many of your suppliers as possible, as quickly as possible.

In getting there, you already have an advantage: SAP Taulia's 90-second registration makes it easy for every supplier to access the SAP Taulia portal and get set up on the system, while you track progress through your dashboard.

This is where the unrivaled support offered by SAP Taulia comes into its own. Our Customer Success Team will be deployed to ensure that your suppliers understand the benefits from the very

beginning. At the same time, our advanced technologies cut onboarding times for suppliers from weeks to minutes.

Only SAP Taulia can support you to this extent – if you want us to handle outreach to that long tail, our expert advisors will be ready to field calls and emails from your suppliers, so you don't have to. We are used to seeing 90% of a corporation's suppliers successfully onboarded to our platform, and we'll work with you to reach that same point.

From technical support to all parties; awareness building of early payment options and operations teams dedicated to tracking payments. SAP Taulia's success teams are with you every step of the way.

If there's one moment when you'll realize the benefits of working with SAP Taulia, it's now.



# 5

## Program maturity

Your supplier finance program is up and running, and SAP Taulia's technology is now automatically handling suppliers for you. Still, it's essential to keep examining your results through the SAP Taulia dashboard and to work with your expert SAP Taulia consultant to make any tweaks to your program to ensure it keeps delivering over time.

Only SAP Taulia offers this continuing consultancy, with regular check-ins to make sure your program stays on track and constant access to real-time program measurement and analytics.

What's more, only SAP Taulia gives you the ability to switch between dynamic discounting and traditional supply chain finance, with a choice of funders. With SAP Taulia, as your needs change, so can your supplier program.

# 6

## Continuous improvement

After a successful first year, it's easy to move on and let your program fade into the background, despite all the work you've done in the set-up phase.

Don't let that happen. Staying invested in your program is the surest way to deliver results for your suppliers, year after year.

SAP Taulia's unique dashboard, the Buyer User Interface, puts all the data you need at your fingertips, with benefits such as cash forecasting and financial supply chain analytics, as well as modules such as electronic invoicing, supplier information management, delivering value year over year.

## And finally...

From what you've read, we hope it's clear that understanding and managing your supplier and your data, on the right platform, is the key to success.

If this sounds like the way you want your supplier program to run, it's time to talk to SAP Taulia. We know supplier finance inside out, and we're waiting to share that expertise with you today.

The first step to a successful supplier finance program is a conversation with our team.