

THE FUTURE OF SUPPLY CHAIN FINANCE



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NICK SPEERS

SVP and Corporate Controller, Corcentric



WHAT

Discuss how supply chain finance can help strengthen and support vital supply chains while still protecting the buyer's liquidity.



WHEN

Thursday, November 10, 2022
2:00 PM – 3:00 PM EST



WHERE

Live online presentation
Replays at StrategicTreasurer.com



FP&A

Certified Corporate
Financial Planning &
Analysis Professional



This presentation is provided by Strategic Treasurer and Corcentric.

ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



NICK SPEERS

Nick Speers has over 15 years of experience as a finance professional in both public accounting and as an industry finance executive. During his career, he has helped companies with Financial Statement Audits, Sarbanes Oxley program design and testing, internal audit planning and execution, strategic transaction support (including mergers, IPOs and debt offerings), and technical accounting support. Nick is a certified public accountant in the state of Pennsylvania and is also accredited in business valuation (ABV) by the AICPA.



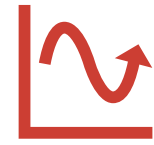
CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



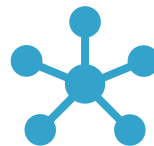
VOLATILITY

AND ITS IMPLICATIONS FOR
LIQUIDITY



SUPPLY CHAIN FINANCE

GAINING LIQUIDITY



NETWORKS & MODELS

BENEFITS & EXAMPLES



TRENDS

WHAT TO EXPECT



SCF SUPPLIER

HOW TO SELECT

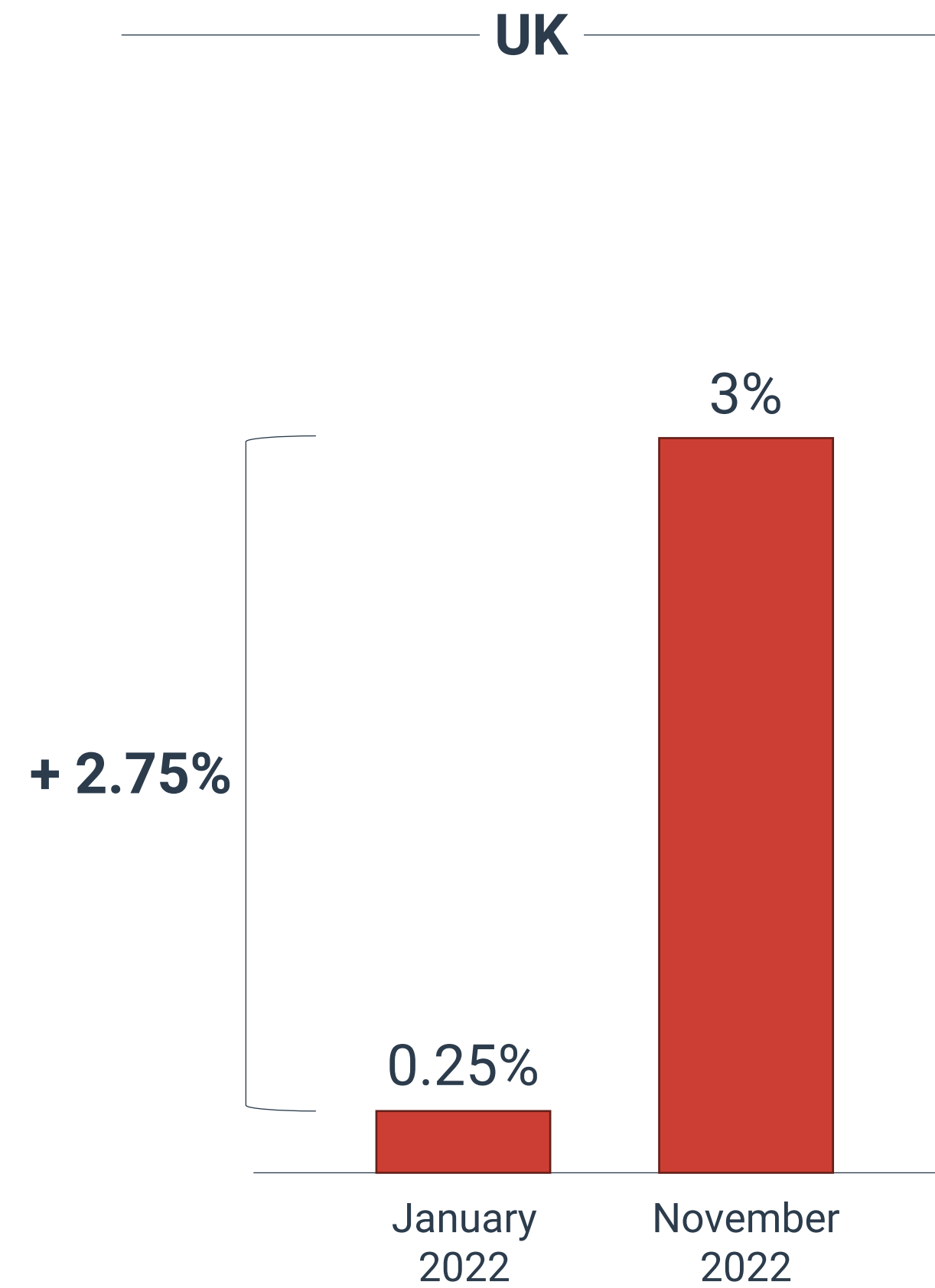
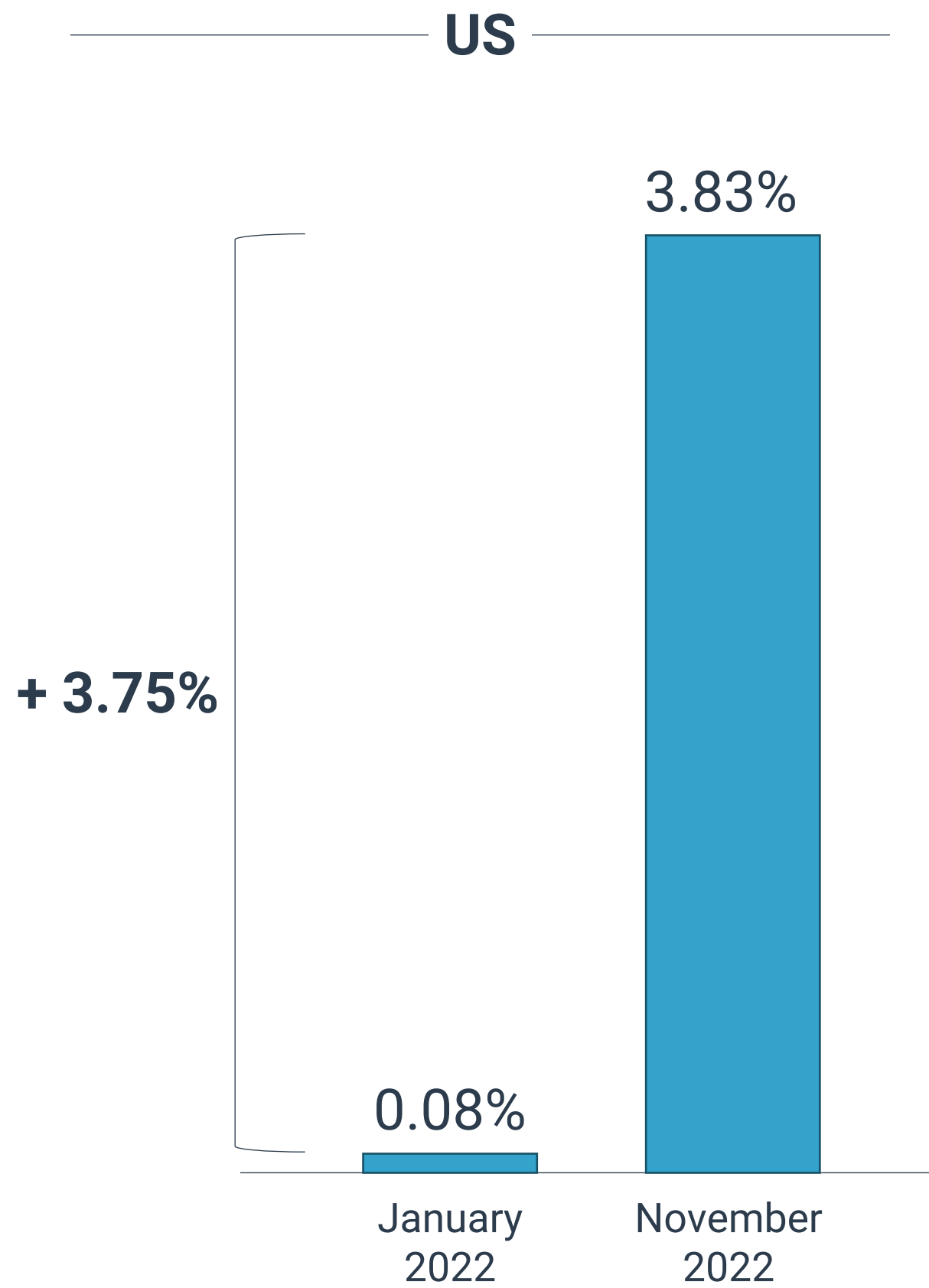


KEY TAKEAWAYS

AND FINAL THOUGHTS

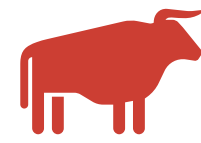
INTEREST RATES

STEEPLY CLIMBING

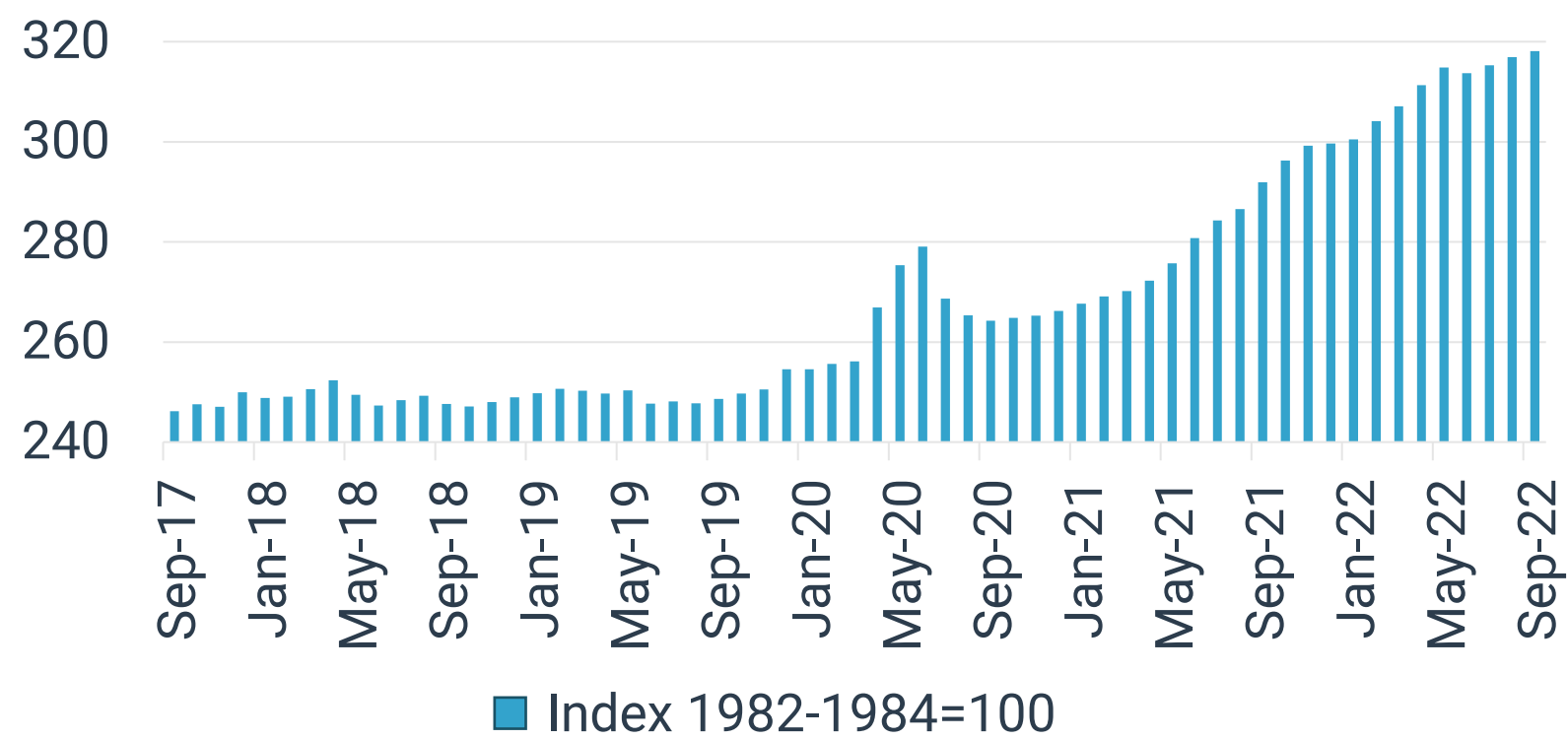


INFLATION I

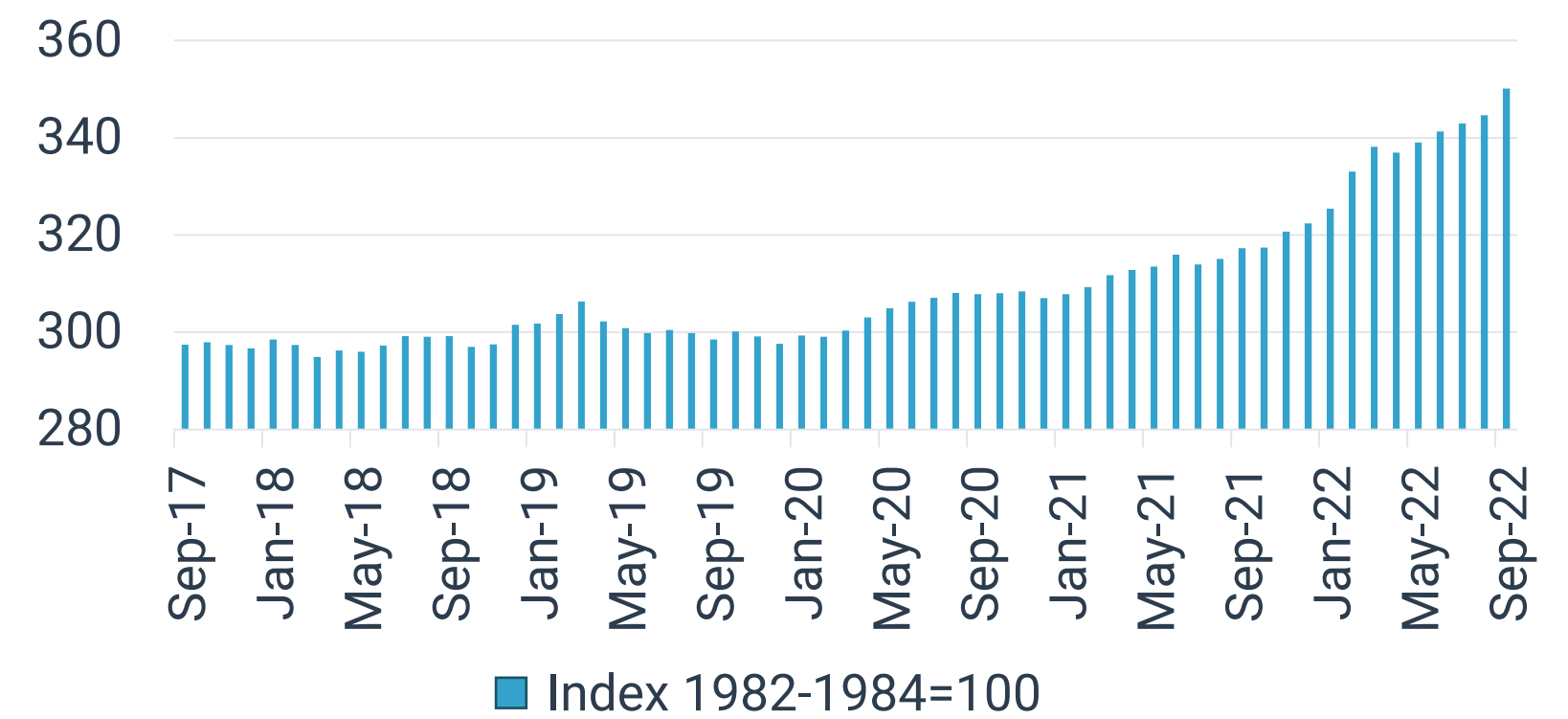
EVERYDAY EXPENSES



Meat, Poultry, Fish, Eggs

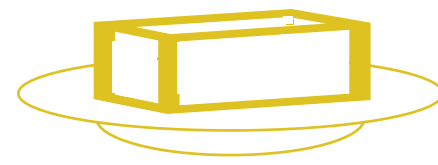


Fruits, Vegetables

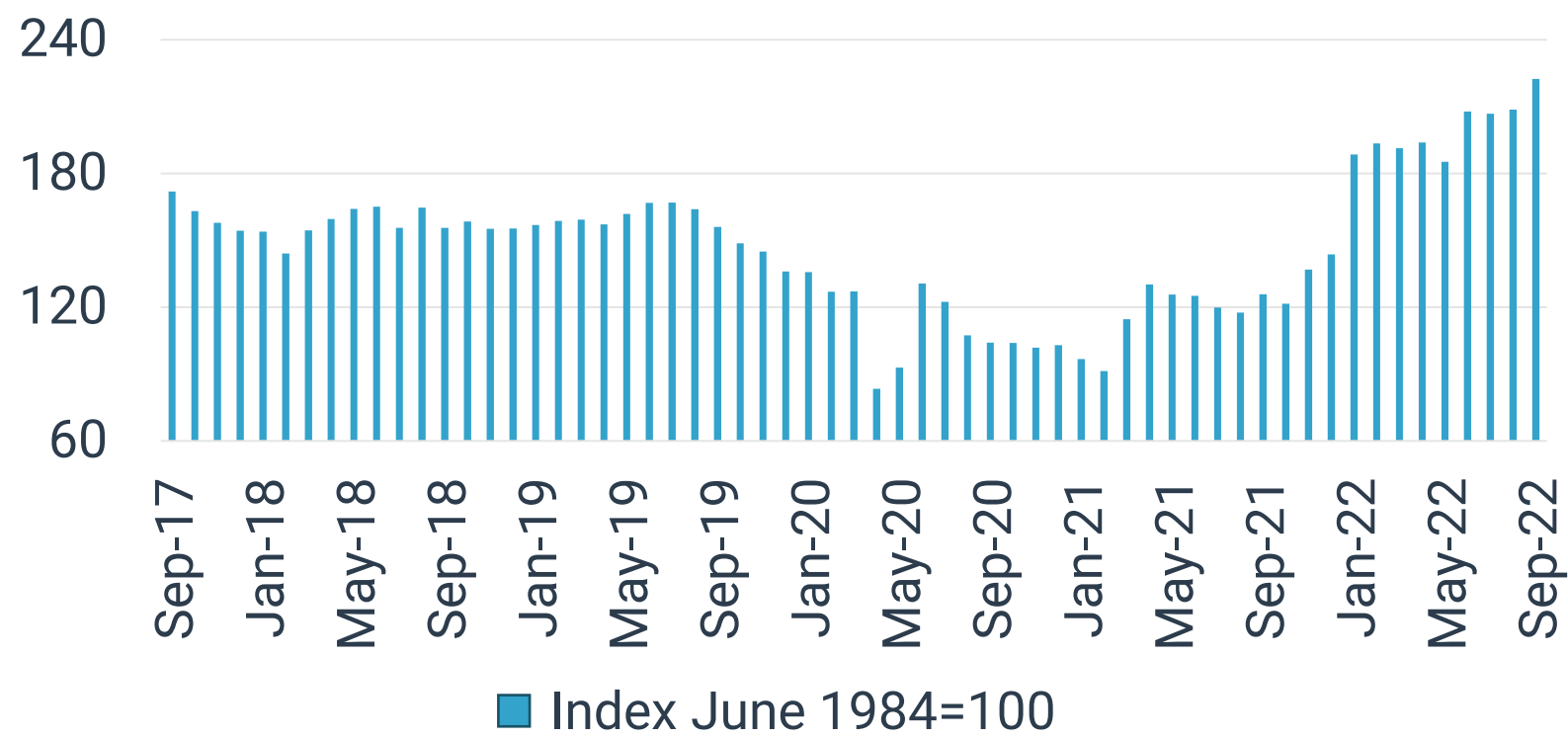


INFLATION II

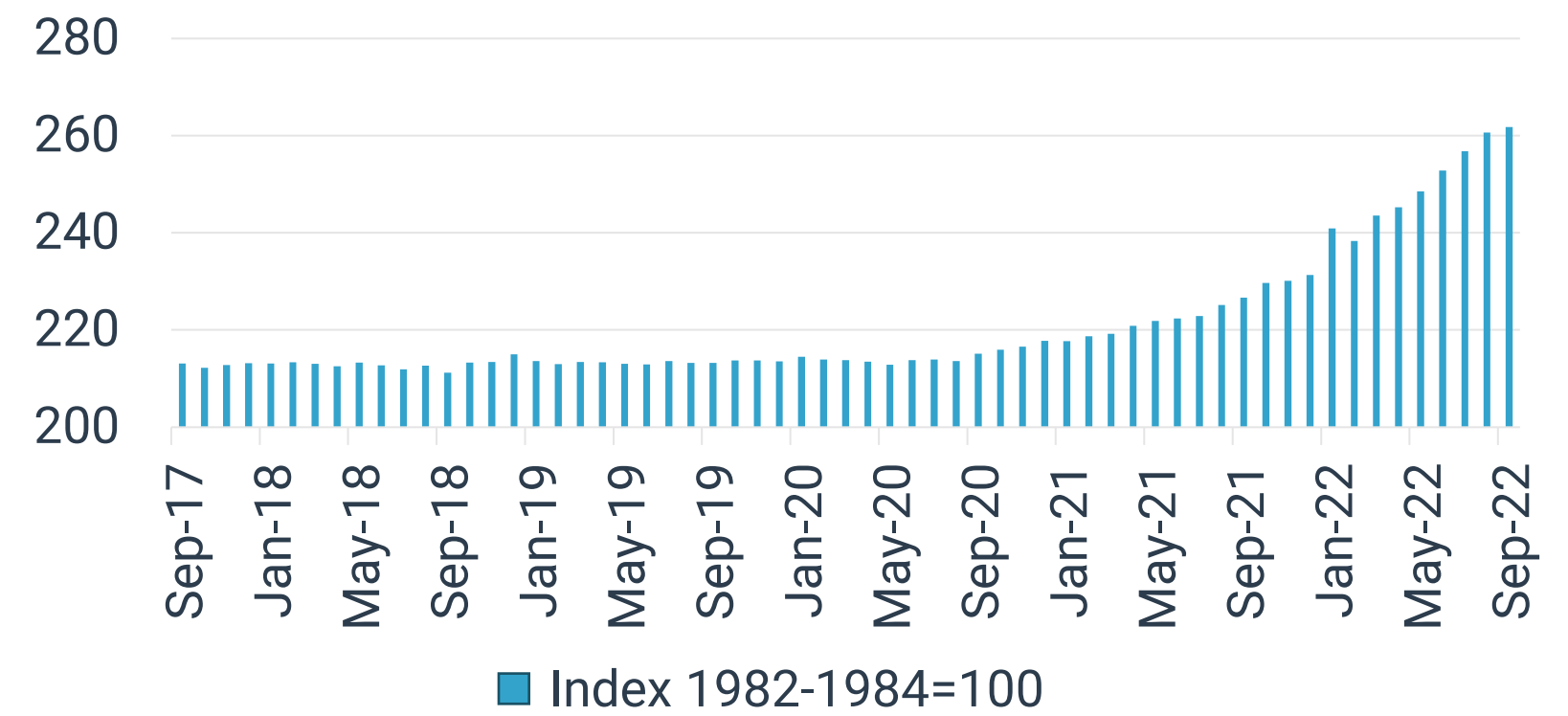
EVERYDAY EXPENSES



Butter

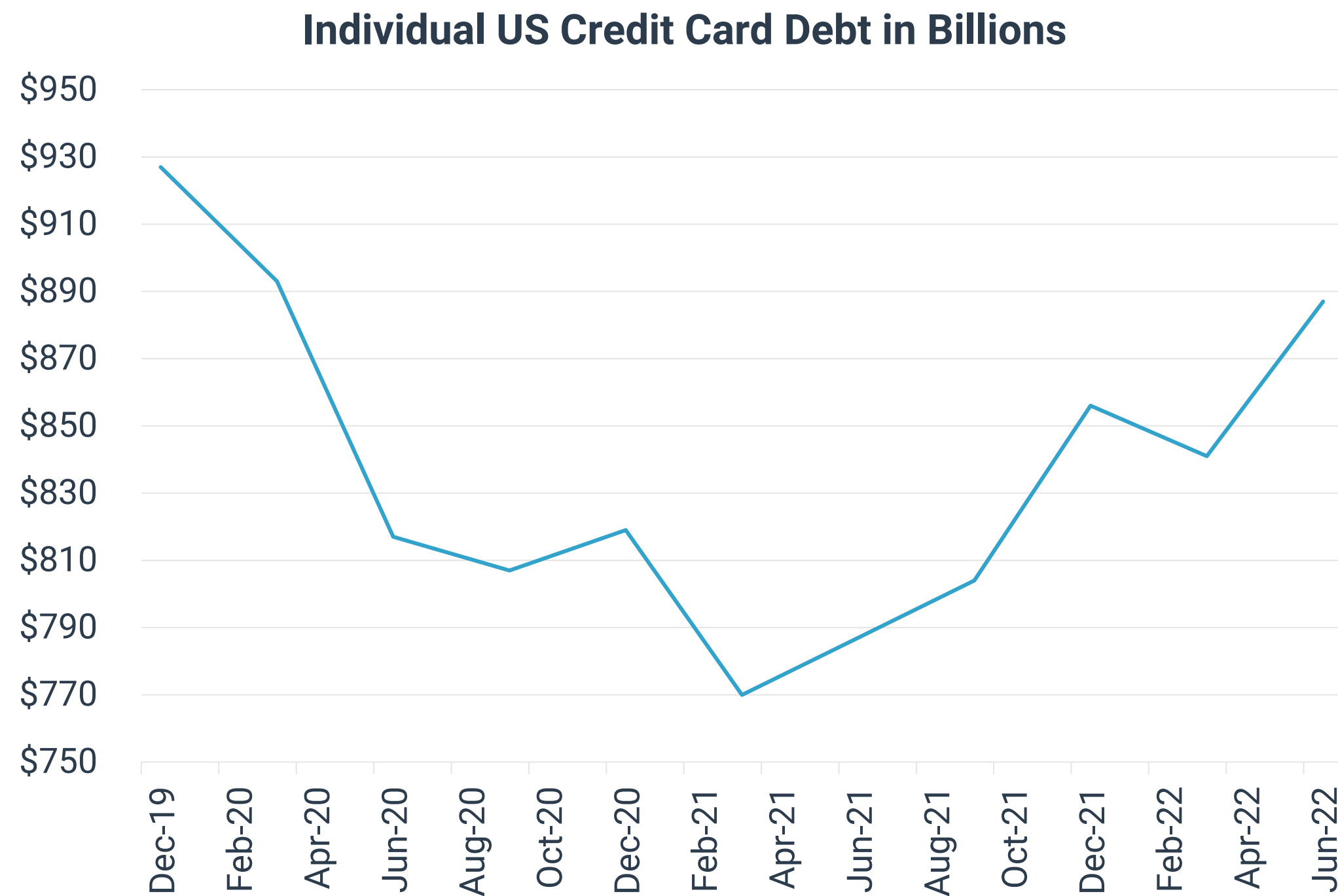


Electricity



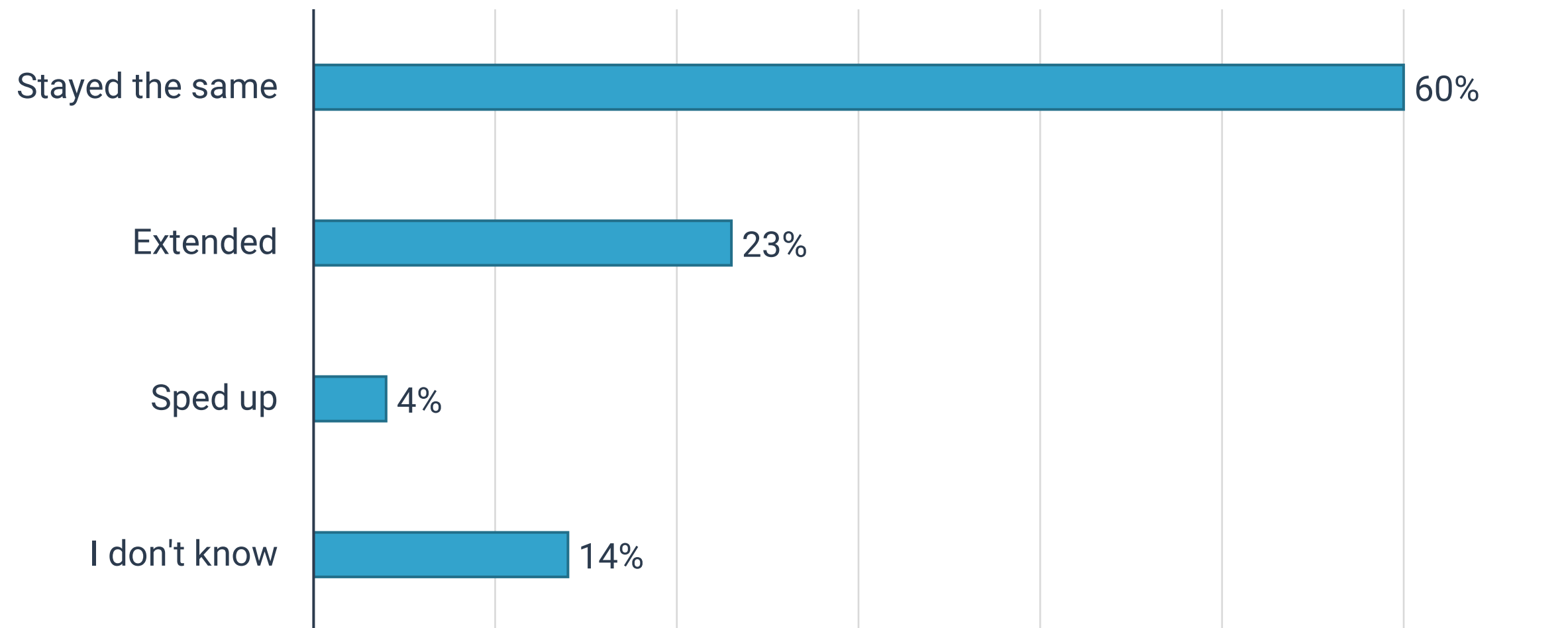
CREDIT CARD DEBT

SHORT-LIVED DECREASE



POLL QUESTION

Poll 1 - Recently, what has your timing been for paying vendors and suppliers?



VOLATILITY

DRIVES DEMAND FOR MORE LIQUIDITY



Access to capital



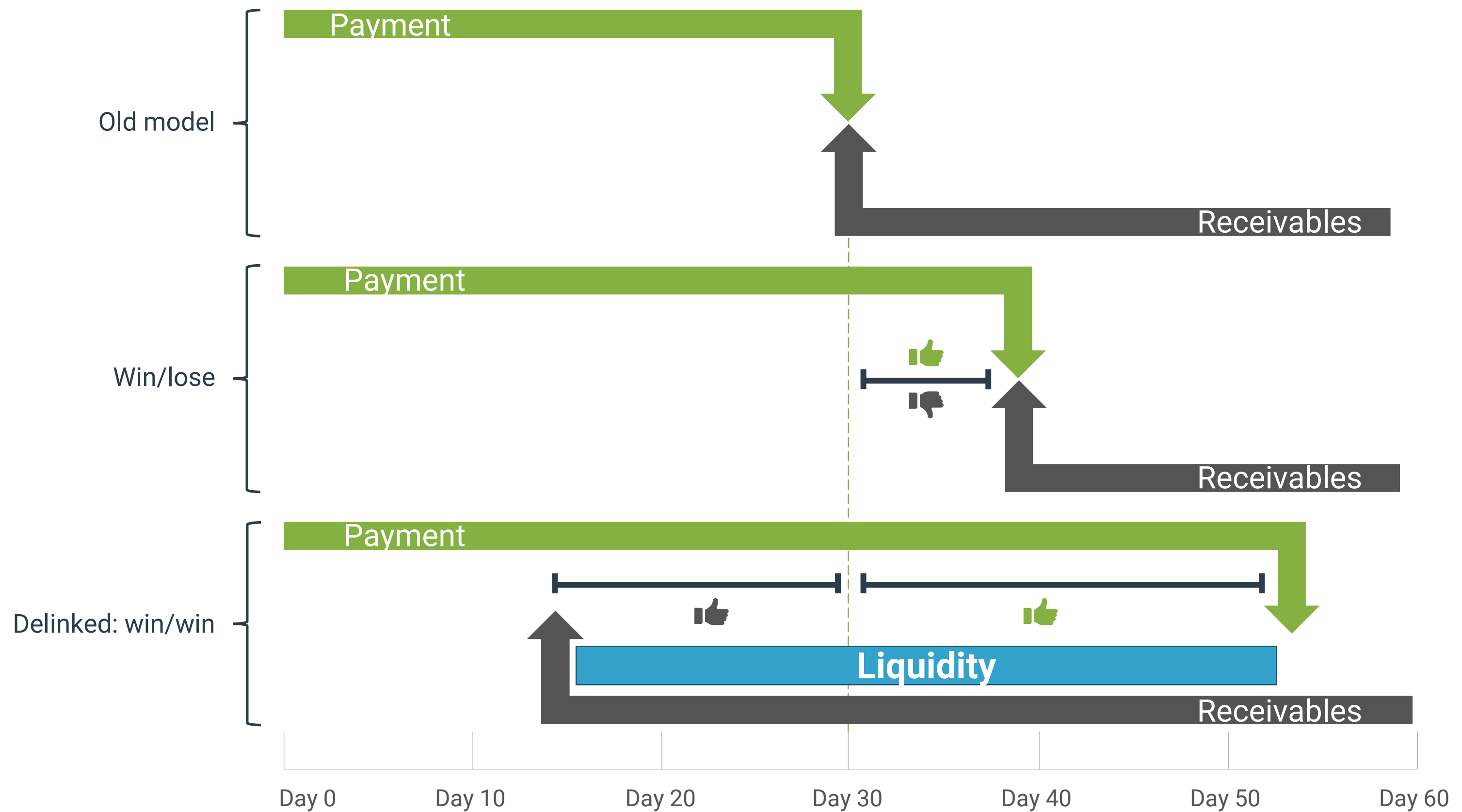
Debt



Cash conversion cycle

SUPPLY CHAIN FINANCE

DELINKING TO ACHIEVE LIQUIDITY



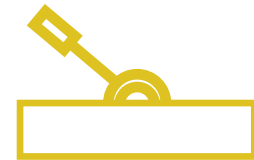
→ Supply chain finance lets buyers utilize a third-party funding source to fund supplier early payments in exchange for a small fee. When combined with a net terms extension, it unlocks available working capital for all payments.

SCF NETWORKS

OFFER VISIBILITY & FLEXIBILITY



Knowing when we're getting paid



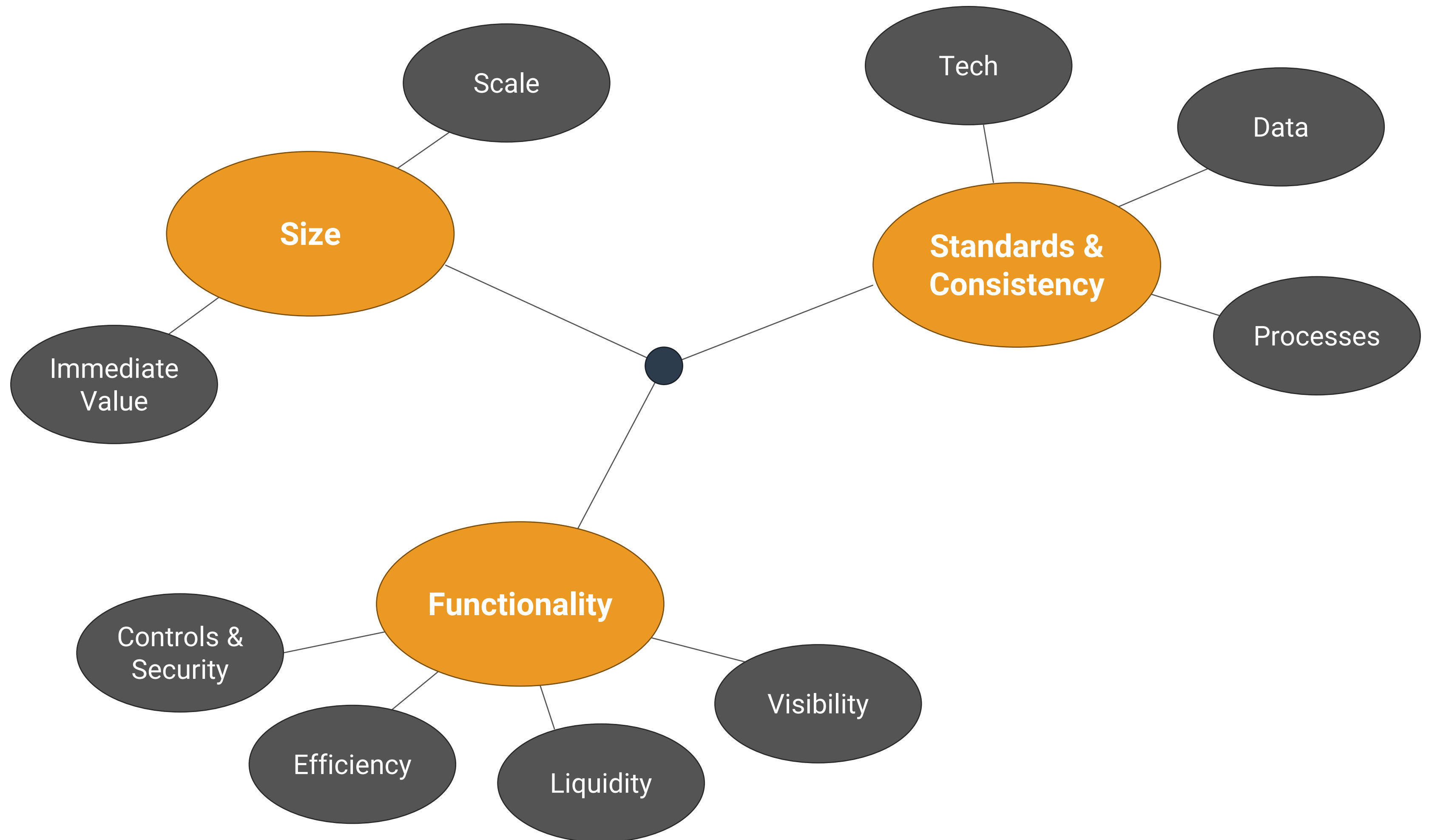
Able to use the liquidity lever



Avoiding win/lose dilemma by creating slack in the receive/pay link

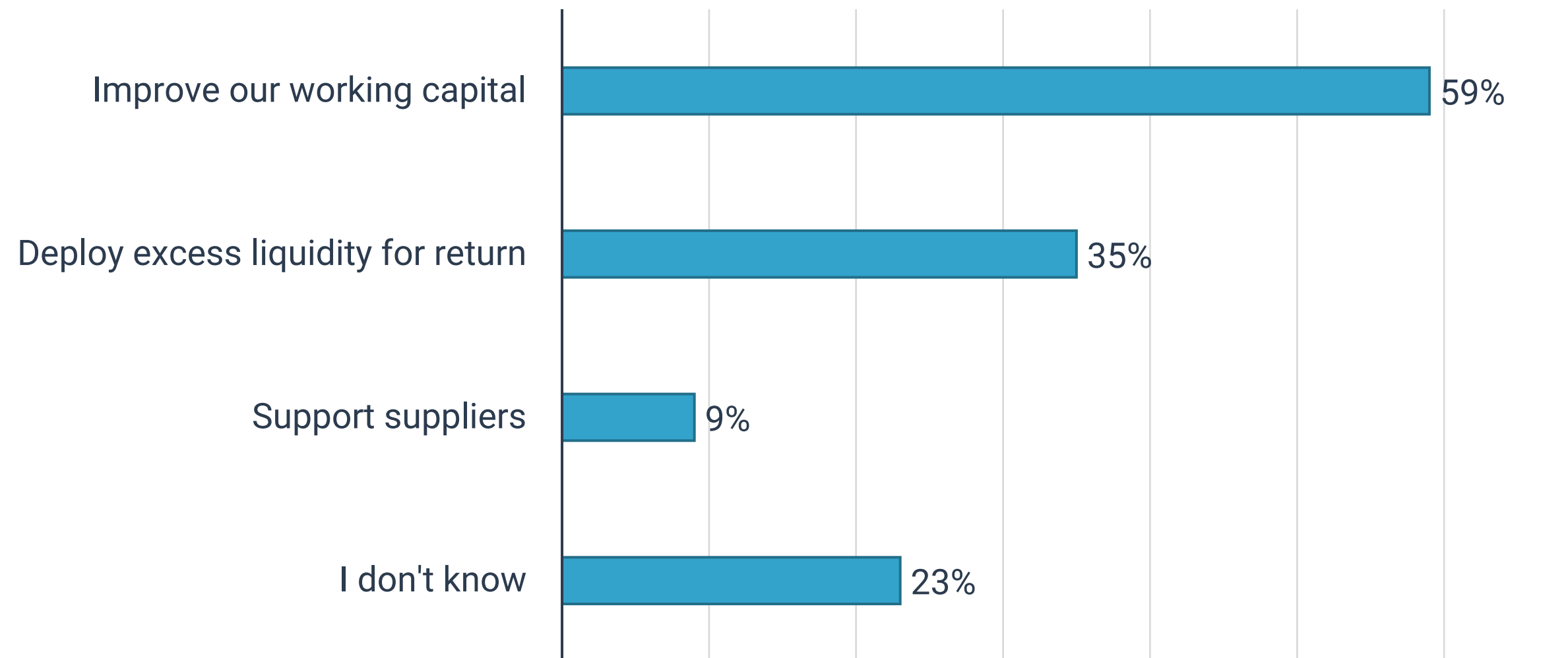
POWER OF NETWORKS

OPTIMIZING THE WHOLE



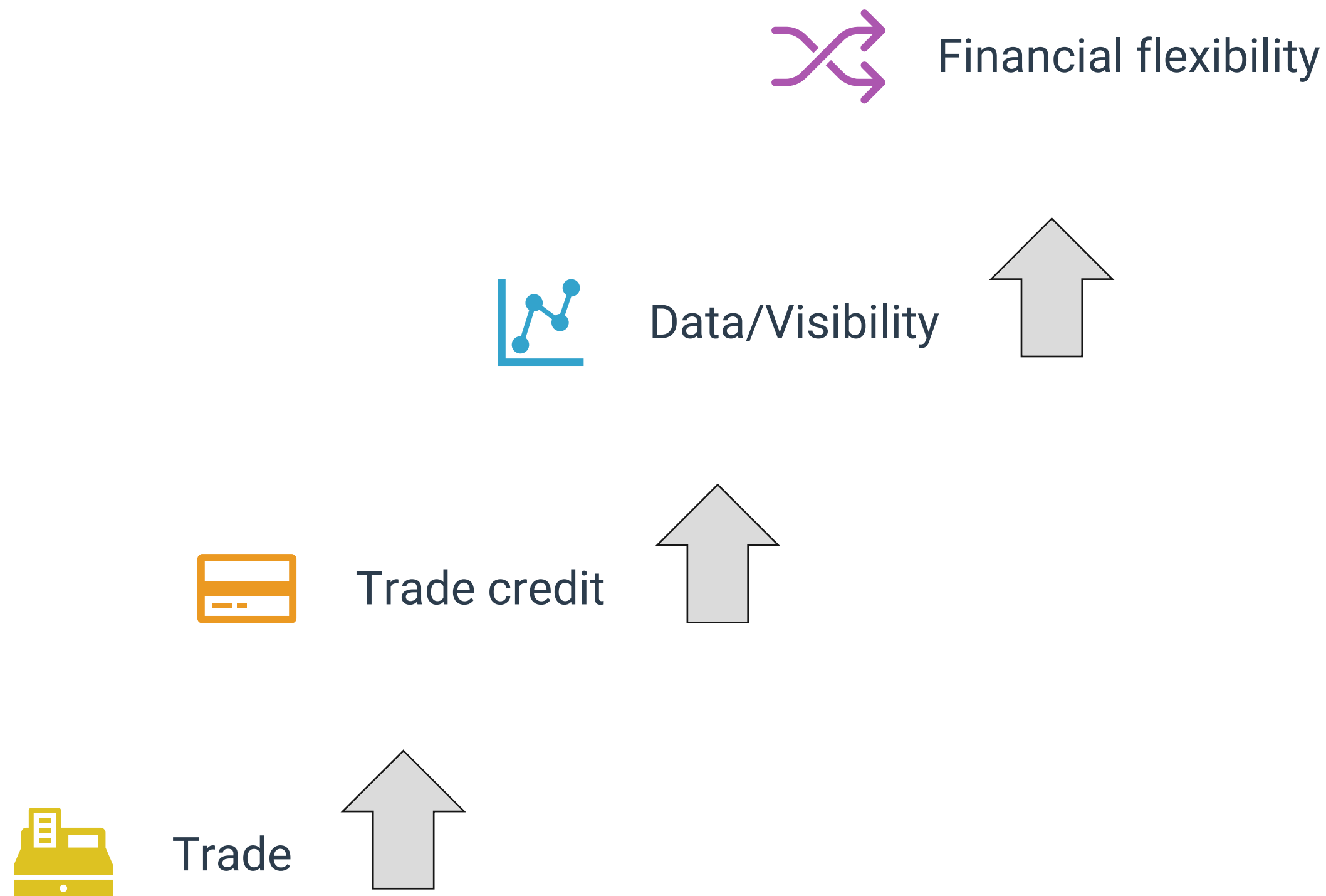
POLL QUESTION

Poll 2 - What are your objectives for a working capital program?



SUPPLIER RELATIONSHIPS

BENEFITS INCREASE AS RELATIONAL VALUE INCREASES

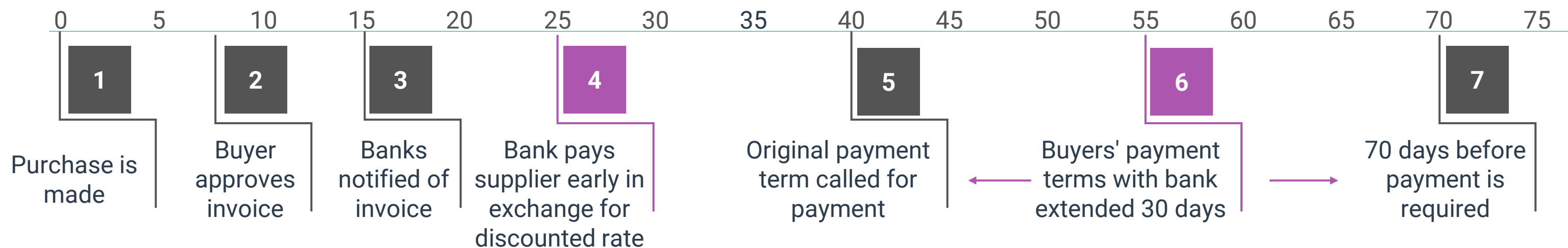


REVERSE FACTORING

AN EXAMPLE OF SCF METHODOLOGY

> Reverse factoring leverages third-party funding to break the lockstep of traditional payment terms

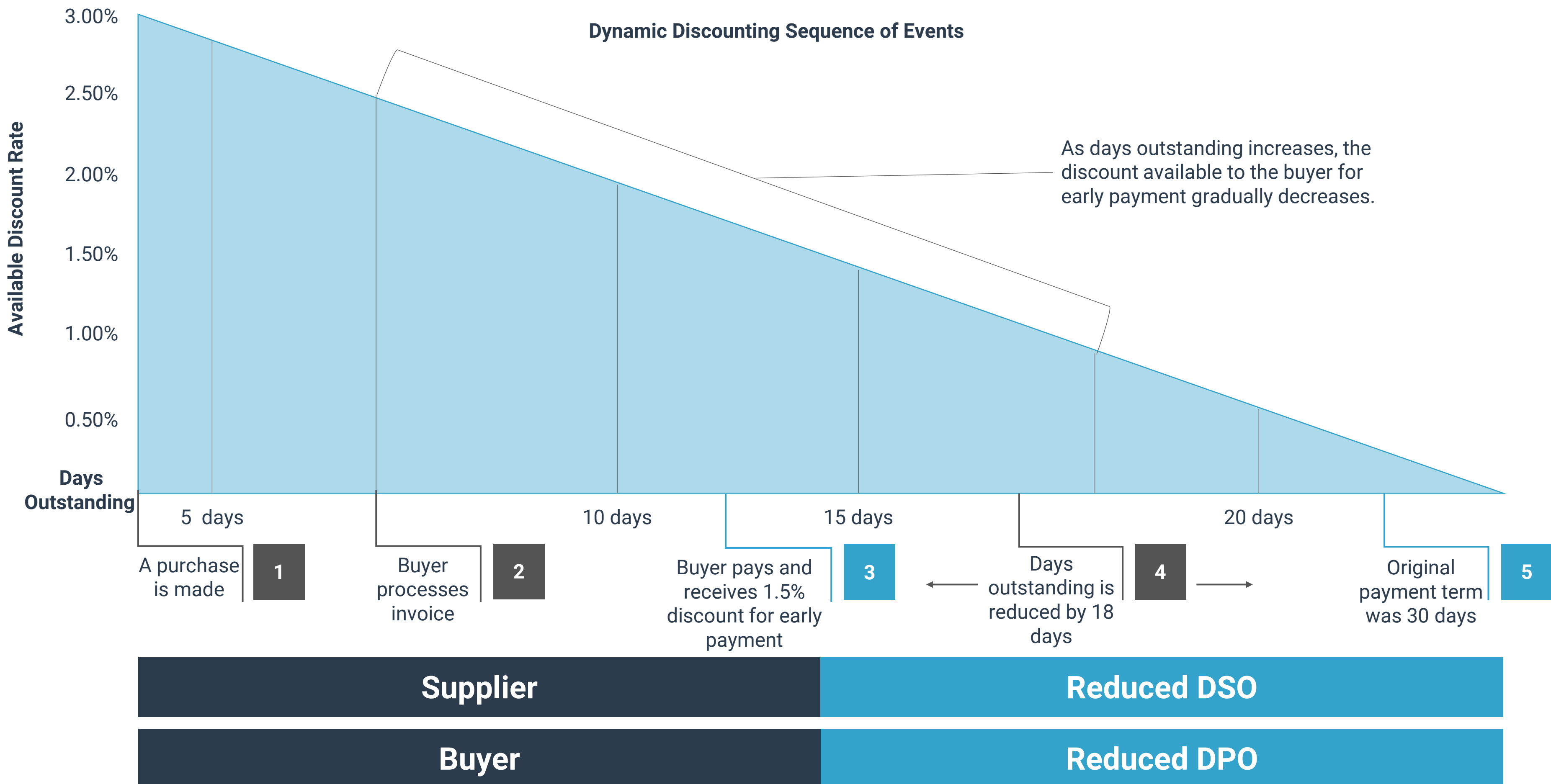
Reverse Factoring Sequence of Events



DYNAMIC DISCOUNTING

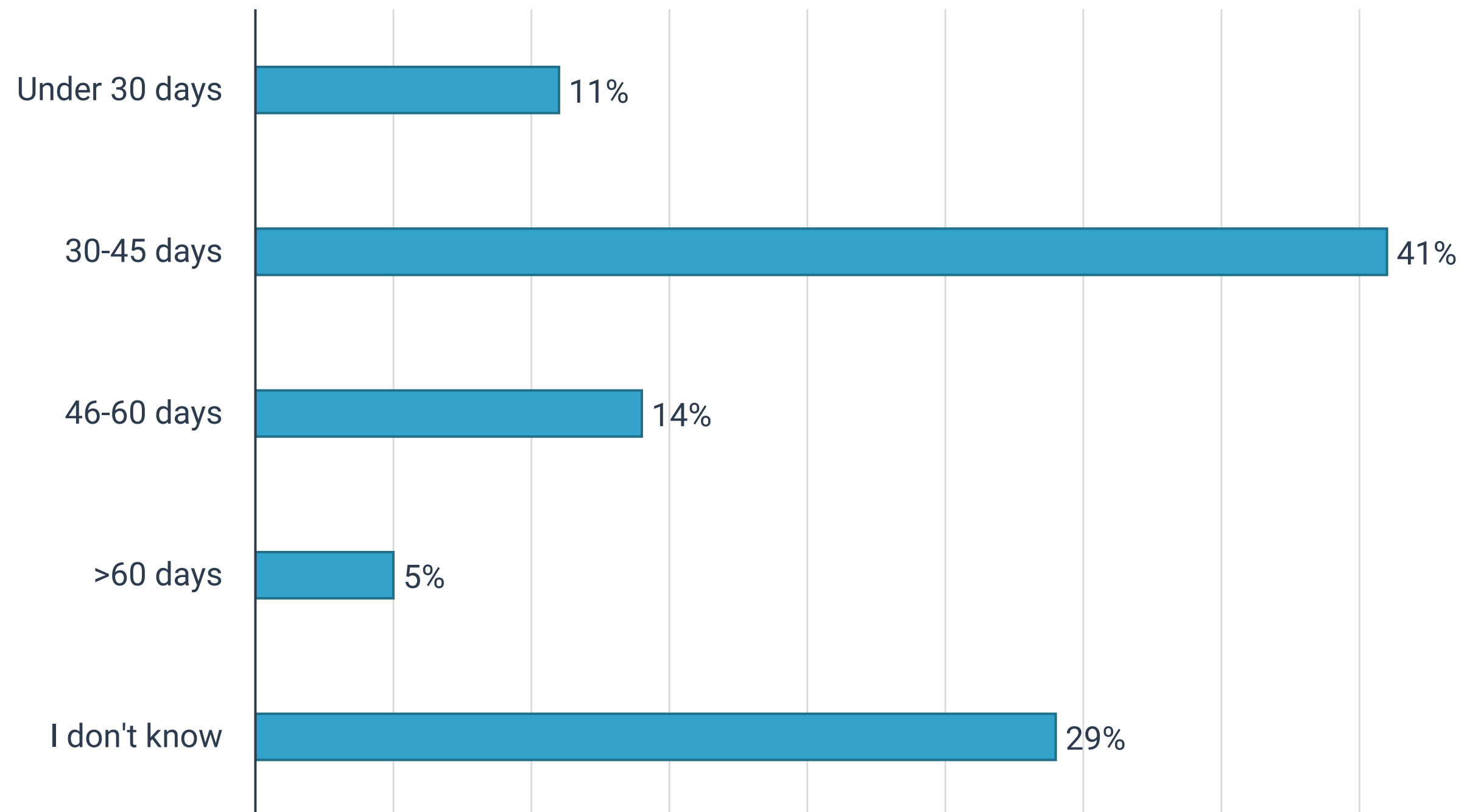
AN EXAMPLE OF SCF METHODOLOGY

> Dynamic discounting leverages excess capital through a sliding scale of discounts



POLL QUESTION

Poll 3 - What are your average terms?



SFC TRENDS

WHAT TO EXPECT IN 2023



SCF use

- Rising rates
- Access to credit
- Need for flexibility



Terms extension

- Use AP to fund operations
- Volatile times usually coincide with delayed payments



DSO



DPO

- Harder to collect in non-self relationships

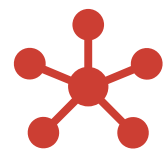


Tech use

- Access to network
- Transaction validation

SELECTING AN SFC SUPPLIER

POINTS TO CONSIDER



Power of a network

- Capability
- Size
- Open networks
- Network of networks
- Functionality needed for:
 - Efficiency
 - Capital



Access to capital

- Adding flexibility to suppliers who may have a hard time accessing capital



Data and visibility

- Can your trading partners:
 - See
 - Self-service
 - Integrate

KEY TAKEAWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



VIEWING VOLATILITY

- Macro-economic monitoring
- Foresight of challenges



FOCUS

- Liquidity needs
- Variability
- The entire process rather than just one component



GPS / ROADMAP

- Where do you need to be from a liquidity or balance sheet perspective?
- What options exist?
- Best route



IS IT TIME FOR AN SCF PARTNER?

- Understand your liquidity options
- Match those to the full set of needs
- Review level of fit

LET'S CONNECT

DON'T LET THE LEARNING END HERE...
CONTACT US WITH ANY FUTURE QUESTIONS

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.



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CORCENTRIC

Nick Speers
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This mini eBook covers the different definitions of working capital and their purposes; the appropriate aims of a working capital management program contrasted with the red herrings; stories that demonstrate working capital issues and solutions; and leading practices and necessary steps. Its guidance is aimed at helping you lead your organization into a thriving state of efficiency and excellence by optimizing working capital and aligning goals.



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