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## Seven quick facts on Supply Chain Finance programs

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I recently had a few discussions with corporates who have rolled out Supply Chain Finance (or Approved Trade Payable) programs with their supplier base. These corporates have been running programs for several years so I thought it would be good to get some feedback on how the programs are progressing.

### Here are 7 quick facts that seem to be consistent with programs:

1. Programs are expanding into different geographies and offering local currency funding – some large corporations now run programs in 10+ currencies. Expanding into local currency funding helps fund factories in local markets.
2. These programs are still predominately with Investment Grade or near Investment Grade corporations. We still have not cracked the code on selling programs to below investment grade and middle market corporates – see post [Will Trade Payable Programs move Downstream](#)
3. Most growth in SCF programs is through adding Divisions and subsidiaries and not new companies.
4. Europe continues to grow for many companies, particularly as you can add currencies beyond the Euro, like the Kroner, Swiss Franc, etc.
5. Funding tends not to be a problem with these programs, as its one of the few areas where a few international banks have large capacities to buy this paper and are willing to do not only major currencies like the USD and Euro but small currency programs. Most corporates have told me they have not had any barriers on the funding side.
6. Very few corporates open up these programs to all their suppliers (we are aware of a few, but that's the exception)
7. Working capital continues to be pushing points for large corporates.

### Summary

Trade Financing Matters encourages readers to do the following:

- Take the time to learn from other corporates. Engage with Treasurers but also look to find the key contact in Procurement to discuss the program with. Different divisions will have different experiences, so its important to understand lessons learned.
- Found out how the corporate made a platform decision and how important multibank funding was to

their criteria.

- Discuss onboarding challenges they faced in different jurisdictions. Many corporations now have experience rolling out programs in many countries and can offer insights into how they overcame challenges.

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