



**Scaling supplier  
finance to your full  
supply chain**

# Supplier Finance is a cornerstone of a healthy, robust supply chain.

Yet for decades, Supplier Finance was only available to the largest companies in a supply chain, with programmes developed and administered by Banks. It's only recently, with the innovations brought to market by FinTech businesses like Taulia, that companies have had access to the technology and resources to scale Supplier Finance to their entire supply chains.

Even the best technology requires initiative, and that's what this guide is for. Taulia has implemented over 100 working capital programmes with some of the largest companies in the world like Airbus, Airgas and AstraZeneca and have a network of over 2,000,000 suppliers in 168 countries. We've learned a thing or two about how to scale successfully and this research and experience has allowed us to develop a framework for success.

That framework is what we're sharing here.

So, once you've found the right technology fit for your requirements – what resource and methodology do you need to surround it with to ensure success?



# 1

## Step One: Planning - Where do you want to go?

When considering a Supplier Finance programme, it's important to be clear about the objective of your project? Why are you here? What are you trying to achieve?

The answers to those questions will become your north star and having organisational alignment around the outcomes expected from your project is the most important thing to bring to the table at the outset.

Every project is unique but, in our experience, there are some common underlying themes to consider at the outset. By ensuring your programme objectives are 'SMART', you ensure the business knows what to expect and by when – but how do you ensure that what you're committing to is possible?

Our answer is simple: model the scenarios to test the expected outcomes. A robust modelling process will provide you with a practical decision making path to ensure your objectives are aligned towards success.

When embarking on scenario modelling, data, coupled with an understanding of industry metrics, can help show you the way. Armed with a knowledge of market trends and an understanding of how you would like your own KPIs to trend, you can analyse your spend file to identify the opportunities and begin building your strategy.

Key questions to consider: How do your key KPIs compare to your competitors? What are your available financial levers and options? What approach is best suited for the suppliers in your industry?

If you know the outcomes you want to model against, choosing a partner with the AI modelling tools, rich data and broad experience is enormously valuable at the planning stage.

If you're seeking positive working capital outcomes, we have seen some businesses engage the 'Big 5' consulting firms with dedicated working capital practices who can help answer your questions and identify key opportunities in your supply chain.

Ultimately, your organisation will need to align the objectives against what it's possible to achieve.

### The Taulia Advantage



Full Spend File data analysis



Artificial Intelligence & Predictive Programme insights



Network Supplier match



Unique Programme Modeling software



Dedicated Consultant to share market insights and best practices

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## Step Two: Tools & resources – who will lead you there?

Having discovered what is possible, it's time to turn your attention to who can get you there. This involves internal and external resources and tools.

You must first evaluate your internal resources. Your working capital advisory team should ideally include stakeholders from Procurement, Finance, Treasury, Accounts Payable and IT. This cross-functional team should be accountable to either the Chief Financial Officer or Chief Procurement Officer. We have seen cross-functional teams as small as five and as large as 50. The number of people at the table is up to you and the nuances of your organisation but ALL of those functions will need a seat at the table if you want to ensure success.

### This team will:

- » Set and communicate clear, measurable objectives
- » Establish timelines
- » Commit resources
- » Select providers
- » Implement the solution
- » Execute the strategy
- » Remain accountable for ongoing success as measured against the objectives

If your goals include addressing aspects of your entire supply chain, it is imperative to select external tools that ensure scalability. That's where technology comes in. Which partner are you going to select?

### The Taulia Advantage



**100+** projects with the world's largest organizations



**2,000,000+** suppliers in our network



**18** Languages



**90** second registration



Exclusive Alliances with J.P. Morgan, KPMG, EY, IBM & Google

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## Step Three: Strategic preparation?

Objectives defined, organisation aligned and resources identified, it's time to get to work. The best programmes have an accurate picture of their financial supply chain which includes an understanding about supplier relationships. Supplier segmentation analysis can involve numerous considerations but common ones include supplier relationship, strategic importance, geography/region, IT landscape, supplier size, contractual restrictions, ESG programmes and regulatory restrictions.

The best programmes also are logical about how to tackle scope, including technology and a strategic rollout plan. The best technology will design requirements that align with your business processes. Important considerations include:

- » Buyer entity and supplier location
- » Invoice submission and approval process
- » Payment process
- » AP inquiry process
- » ERP Integration

Strategic and scalable programmes include comprehensive communication plans including both internal and external content. Important considerations when building out this plan include:

- » Scope/segmentation
- » Measurable, key success metrics
- » Corporate vs local entity involvement
- » Timelines
- » Necessary change management

If the initiative sits across the entire supply chain, then communication handling should differ from the biggest supplier to the smallest.

Meetings and live conversations should be reserved for the most strategic of suppliers and preparations should include handling of objections. But the best programmes understand that scalable electronic communications are sufficient for the mid and long tail.

By developing a 360-degree approach to your suppliers you are better placed to design and implement the proper strategy on a supplier-by-supplier basis. Careful planning will allow a quicker ramp, ensuring speed to value.

### The Taulia Advantage



Segmentation strategy expertise



**100+** customer success team members



Advanced data analytics and modeling



Robust methodology



Access to Taulia network of Buyers

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## Step Four: Operational readiness

Now that you've developed a strategy and a framework, you need to get the organisation aligned and ready. At this point, it's important that everyone has clear ownership and understanding of their roles and responsibilities. It's also important to know who in leadership takes ownership for reporting and the cadence.

When considering a large initiative that involves various departments, it's best practice to first announce internally to maintain control of message and alignment. Failing to properly educate supplier-facing staff will seriously undermine the effectiveness of a finance programme. A clear message sent by senior leadership can provide purpose, clarity, and confidence.

### At this point you should have:

- » Business framework established
- » Management signed off
- » Operational plan drafted (living doc)
- » IT deployed
- » Project roles & responsibilities defined
- » Communication plan and templates (Internal and External)
- » Supplier outreach resources established and trained
- » Exception handling process defined
- » Launch date set
- » Alignment between the cross-functional teams including procurement and treasury

It's important at this point to understand that the plan is a 'living document' as there's no way you can know everything and you should feel empowered to add/improve/reduce as you learn more.

### The Taulia Advantage



Webinars and training



Supplier content creation and deliverability



Supplier outreach and education team



Supplier inquiry handling team

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## Step Five: Execution and growth

You've planned and now it's time to execute. At this point, thanks to close collaboration, preparation and partnership, 'Go Live' should feel natural.

Supplier Finance is a fast-evolving business, there are constant needs to tweak, adjust and re-align the strategy to ensure you're meeting the objectives of both your business and your suppliers. After the first 90 days of your programme's launch, it's important to develop a growth mindset around the programme. By this point, significant traction and progress has been made but it's important to have the teams and tools around you to ensure the programme continues to deliver success.

### The Taulia Advantage



Dedicated business consultant for life



Real-time data insights



Supplier outreach and education Team



Supplier marketing



Supplier Technical Support

## In summary

Supplier Finance, like any cross-functional strategic initiative, requires strong analysis, robust planning, clear objectives and great partnership in order to be successful. When assessing all these requirements and complex considerations at the outset, it can seem overwhelming and difficult to know where to begin, but rest assured you're not alone.

Whether you're in the information gathering phase or you're ready to get going tomorrow, Taulia has walked this journey with over 100 of the world's largest organisations and if helpful, we would welcome an initial conversation to get a better understanding of what you're looking to achieve for your organisation and share our perspectives on how to best realise that success.



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