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DEFINING TRANSACTION BANKING



# Supply Chain & Trade Finance Handbook 2011



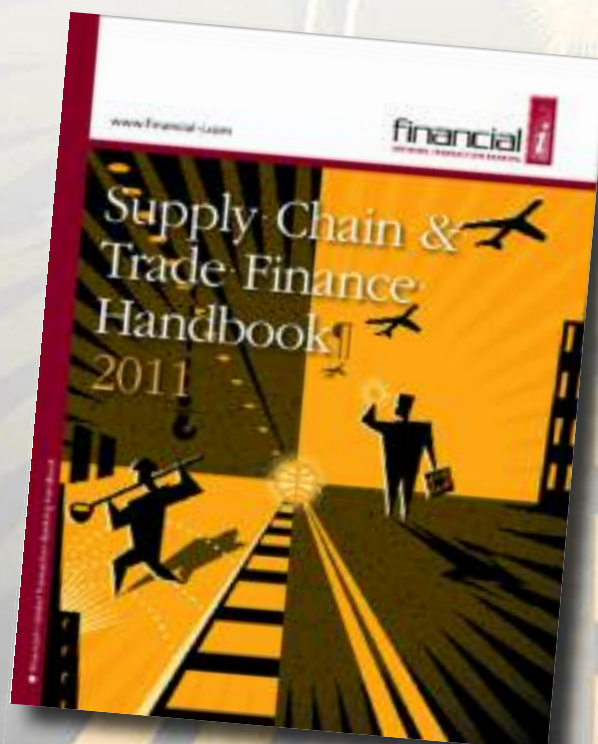


Supply Chain &  
Trade Finance  
Handbook  
2011

# Overview

Supply chain finance is more important than ever before. Not only is it an essential pre-requisite of the global economic export-led recovery, but also companies now see it as an alternative source of financing that can help free up working capital for both buyers and suppliers. The industry is evolving however, in response to regulation (Basel III) and changing customer demands for different forms of financing at different stages in the supply chain. Some big buyers are now investing their own cash in supply chain finance programs in order to generate higher returns on their cash. More collaborative models are also being pursued to help finance buyers' global supply chains and they include participation by an increasingly diverse array of non-bank financial services providers including hedge funds and pension funds.

Savvy CFOs are also waking up to the fact that by better managing their trade receivables they can free up cash flow. Banks are also working to more closely integrate their cash and trade businesses. After all, at some point in the trading process a payment is made for goods supplied so why not align these business processes and the IT systems that support them more closely. Banks and financial software vendors are also joining the dots to help streamline the order-to-pay process and to capture the information contained in purchase orders, invoices and other trade documentation in order to extend financing to buyers and suppliers.



In September, **financial-i** will publish its annual Trade & Supply Chain Handbook, which presents the latest thought leadership around issues impacting the business moving forward. We will look at how the trends outlined above are shaping the trade and supply chain business.

*Previous participants in our handbook include: BNY Mellon Treasury Services, Bottomline Technologies, Citi, Commerzbank, Deutsche Bank, BNY Mellon Treasury Services, J.P. Morgan, The Royal Bank of Scotland, Standard Bank.*

# Proposed issues

The following topics have been identified as game-changers which we hope to cover in this year's handbook. Please note that these are proposed chapters only, and sponsors are welcome to suggest their own topic for a tailor-made chapter.

**Financial-i** will also be commissioning journalists, analysts and corporates to contribute articles for the handbook.

## **Editor's introduction**

**Anita Hawser, Managing Editor, Financial-i.**

## **Supply chain financing as an alternative source of financing**

Why are companies increasingly turning to supply chain financing? What are the benefits for buyers and suppliers and how is it helping free up working capital and deliver greater returns on their cash?

## **SMEs and the supply chain**

SMEs make up the bulk of large buyers' global supply chains. How is supply chain financing helping them obtain financing at much lower cost? How are banks and other financial service providers approaching the financing of SMEs in the supply chain?

## **Pre-shipment financing**

As supply chain financing matures beyond the reverse factoring or payables financing that has come to characterise most offerings, some financial services providers are providing financing much earlier in the process before an invoice has been issued and approved by the buyer. What are the benefits of this form of financing?

## **Managing trade receivables**

Savvy CFOs are waking up to the fact that they can free up working capital by better managing their trade receivables using statistical scoring and analysis of their receivables to predict cash flow and the risk of payment default.

## **Regulation**

What impact will regulation in the form of Basel III capital requirements and the treatment of off-balance sheet items such as trade guarantees and letters of credit have on the trade finance business?



# Proposed issues

## **Collaborative models in trade and supply chain finance**

In order to finance large buyers' global supply chains, increasingly banks recognise they need to work with other financial services providers.

What impact are these more collaborative financing models having on the provision of trade and supply chain finance and who are the potential parties involved?

## **Trade finance suited to the needs of the 21st century**

How is trade finance evolving to meet the realities and lessons learned from the global financial crisis? How do trade finance providers view this business and how are they working towards an updated model of trade & supply chain finance?

## **SWIFT TSU and the Bank Payment Obligation**

SWIFT's TSU developed the Bank Payment Obligation as a means of delivering letter-of-credit-style risk mitigation in the world of open account trade. How is this project evolving and what are the benefits for banks and end users?

## **Integrating cash and trade**

For some time now banks have been more closely integrating their cash and trade businesses in terms of employing people that can cross-sell across both lines of business. A more recent development is the closer alignment of IT systems that service both parts of the business. What are the benefits for both banks and clients in more closely aligning these two businesses?

## **Order-to-pay**

What advances are being made in automating the order-to-pay process to help capture information from purchase orders, invoices and other trade documentation to provide financial services providers with richer information and analysis, which can be used to extend financing to different parts of the supply chain?

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## Sponsorship opportunities

Participating institutions are presented as sponsors of the handbook with exclusive authorship of their chosen article(s), ensuring that each participating institution is positioned at the forefront of their field.

Participants can write, or co-write, one or more chapters within the handbook – following the editorial outline provided herewith – and will be credited as sponsors on the front cover of the handbook. Alternatively, potential sponsors may propose their own chapter or chapters — subject to editorial approval — to fit within the broad outline of the handbook. As sponsor you will have editorial control over your participation\*, and the cost will include full design, graphic or tabular work and editorial support from financial-i's editors.

Each chapter should be an objective, thought-leadership article, and as such will be subject to our own editorial processes (for house-style and consistency of language). An edited proof will be provided prior to printing.

*\*Financial-i reserves the right to refuse to publish any submission that does not meet a reasonable standard of objectivity (i.e. no advertorials will be permitted).*

In addition, as part of the sponsorship package, each sponsor will be given a half page directory listing in the publication. A downloadable version of the Handbook will be posted to the **financial-i** website (previous Handbooks have received up to 9,000 downloads, [www.financial-i.com](http://www.financial-i.com)), so your organisation will receive parallel exposure on [www.financial-i.com](http://www.financial-i.com).

### **BENEFITS**

- **AUTHORITY** - through your thought-leadership article, you will be seen as a key player in your field, both now and in the future (our handbooks have a shelf-life of at least 12 months).
- **EXCLUSIVITY** - you will be the sole author of your chapter(s).
- **MARKETING** - your name and company logo will appear on the front cover of the publication (arranged in alphabetical order if possible) and at then end of your chapter. Your company and author's name(s) will be listed on the contents pages.

- a copy of the Handbook will be mailed with **financial i** to our regular readership.

- you will receive between 50 and 150 free copies of the Handbook, depending on your level of participation, for your own marketing use.

- you will be provided with a soft copy of your article(s), with copyright waived (conditionally), in a form suitable for printing or web use.

- your organisation will receive parallel exposure in **financial i** magazine.

# Level of participation

## EDITORIAL SPONSOR

- **Platinum** - up to three chapters\* of your choice (up to total 6,000 words), + one full page colour advert (outside back cover) + full page directory listing
- **Lead Technology Sponsor** - up to three chapters\* of your choice (up to total 6,000 words), + one full page colour advert (inside front cover) + full page directory listing
- **Gold** - up to two chapters\* of your choice (up to total 4,000 words), + one full page colour advert (opposite contents) + half page directory listing
- **Silver** - one chapter of your choice (up to total 2,000 words), + one full page colour advert (inside back cover) + half page directory listing
- **Regular** - one chapter of your choice (up to total 2,000 words), + one full page colour advert (run of publication) + half page directory listing
- **Case study** - 2,000 words max. + half page directory listing

Each sponsor will have their logo on the front cover - separated by level of sponsorship, with regular sponsors' logos arranged alphabetically.

\*Standard chapters will be 4 pages (~500 words per page) including tables/graphs and a colour photograph of the author(s).

## DIRECTORIES

Half page directories (max 175 words + logo + contact details)

## COST

Prices are available on request.

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