

Supply Chain Solutions Approved Invoice

An efficient, cost effective working capital solution
for buyers and suppliers



Supply Chain Solutions Approved Invoice from HSBC helps buyers give key suppliers fast and easy access to early payment for goods while optimising their days payable outstanding (DPO). This automated solution simplifies the management of both cross-border and domestic trade payables – enabling buyers to increase flexibility in payment terms negotiation while also protecting the financial stability of their supply chain.

While globalisation continues to fuel international trade, buyers and suppliers often find themselves at odds in today's economic climate. As buyers put pressure on suppliers to extend payment terms in an effort to maximise their working capital, suppliers need liquidity to fund the procurement portion of the buyers supply chain where short-term financing is increasingly difficult to secure. Lack of funding can impact the supplier's ability to meet its production requirements – bringing the problem to the buyer.

The Supply Chain Solutions Approved Invoice proposition has been designed specifically to meet the needs of both parties conducting business under an Open Account structure. By offering an early payment option on the invoices accepted and approved for

payment by you, you can give key suppliers access to a readily available stream of liquidity at more attractive rates than traditional financing. As a result, suppliers are able to effectively decrease their day sales outstanding (DSO), while your organisation can optimise payment terms for meeting your own internal funding requirements.

HSBC's Supply Chain Solutions Approved Invoice proposition delivers:

- Improved working capital
- Reduced supply chain costs
- Stronger supplier relationships across the globe
- Potential to negotiate better terms with suppliers
- Enhanced visibility across the entire supply chain
- Seamless integration and implementation

Improve working capital across the entire supply chain

As a single solution for both cross-border and domestic payables, this proposition allows you to offer your key suppliers early payment on invoices potentially yielding more favorable terms. Once you have accepted an invoice as the buyer, you can indicate which invoices should be paid prior to the original trade invoice settlement date or let your suppliers elect when they receive funds. Regardless, HSBC does not debit your account until the original trade payment term with your supplier is due.

Suppliers, on the other hand, can decrease DSO effectively getting access to the liquidity they need to keep the supply chain moving.

Use your credit strength to help finance the supply chain

Early payments are made by HSBC based on your organisations' credit strength and fees borne by the suppliers are highly competitive – helping suppliers finance the supply chain cost effectively and with minimal exposure to risk. This, in turn, helps strengthen supplier relationships and channel loyalty, placing you in a better negotiating position.

Since the solution leverages HSBC's global reach and extensive network of local branches, there are very limited geographical constraints. This means the Supply Chain Solutions Approved Invoice proposition is available to the majority of your key suppliers in both developing and developed markets.

Greater visibility into cross border and domestic payables processes

Accessed via *HSBCnet*, our web-based information and transaction portal, the Supply Chain Solutions Approved Invoice proposition gives buyers and suppliers 24/7 access to transaction details for greater visibility into payment processes. Buyers can opt to receive reports and pre-funding notifications of all approved invoices to gain more control over working capital. You can also view information by supplier including daily totals and current transactions. Suppliers can use the system to elect early payment on approved invoices, as well as view all of the approved payables and charges associated with early payment.

Fast, easy implementation with no disruption to existing processes

Designed to connect buyers and suppliers seamlessly, this proposition is accessed through an easy-to-use, secure online transaction platform. With a single deployment model that has no special software or hardware requirements, it is easy to implement across the entire supply chain with little or no disruption to buyer or supplier processes. This automated solution is highly scalable and can grow with you as your business expands and you continue to establish new supplier relationships.

Turn the HSBC advantage into your competitive edge

With nearly a century-and-a-half of experience behind us, HSBC offers you the powerful mix of global reach and local knowledge. As a result, you have access to the expertise, stability and fiscal strength of one of the world's leading financial institutions combined with the reliability, service, character and integrity of a local bank.

Contact your HSBC Global Trade and Receivables Finance business development manager to find out how our Supply Chain Solutions Approved Invoice proposition can help you streamline trade payables and reduce costs while strengthening relationships with your suppliers.

Let us show you how we can put the world's leading international bank to work for you.