Dynamic Discounting & Supply Chain Financing

DRIVE DISCOUNT CAPTURE & OPTIMIZE WORKING CAPITAL

PAY EARLY FOR
DOUBLE-DIGIT RETURNS

Early payment discounting is one of the most popular trends in procure-to-pay, and it's easy to see why. With both LIBOR rates and money market yields near all-time lows, it simply isn't profitable to hold cash for an extended period. Instead, many companies are using their cash to offer accelerated supplier payments in return for a discount on the amount owed.

The financial benefit of early payment discounting can be significant. One example: You can produce a risk-free, annualized return of up to 37 percent by paying net 30 invoices 20 days early for a 2 percent discount.

For even greater returns, many companies are making their discounting program "dynamic." They pay willing suppliers based on a sliding scale at any time before an invoice is due, regardless of how early.

Be Smart with Your Money

Early-pay discounts can produce a risk-free, annualized ROI of up to 37 percent. For even greater returns, add dynamic discounts—paying on a sliding scale at any time before the invoice is due.

37%
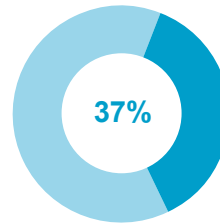
POTENTIAL RETURNS
Net 30 invoice paid in 10 days with 2% discount

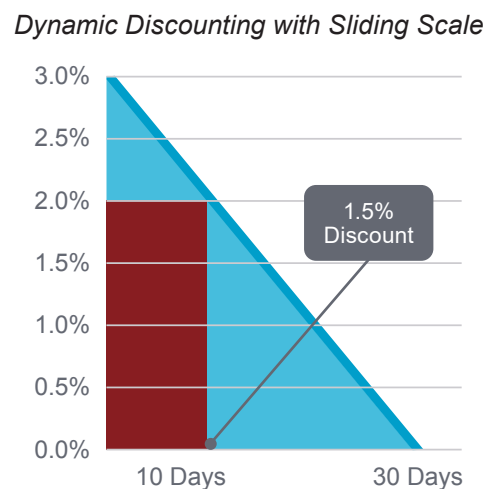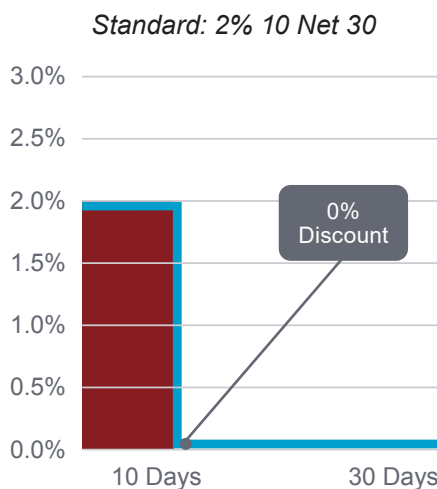*Source: Ardent Partners..*

HOW TO MAKE THE MOST OF DISCOUNTING OPPORTUNITIES

The challenge for any company adopting a discounting program is how to mine data to identify, capture and manage opportunities for optimal returns. That's where apexportal shines.

With our powerful but easy-to-use apexportal Dynamic Discounting and Supply Chain Financing module, you can analyze discount opportunities, design effective early pay programs, decide how they will be funded, communicate offers, track outcomes and achieve best-in-class capture rates.

Standard Versus Dynamic Discounting

*Fixed early pay discounts can produce risk-free, double-digit returns. To capture even greater returns, though, adopt dynamic discounting initiatives that pay on a sliding scale at any time before the invoice is due. Both you and your vendor benefit.*

Standard: 2% 10 Net 30

0% Discount

| | 10 Days | 30 Days |

Dynamic Discounting with Sliding Scale

1.5% Discount

| | 10 Days | 30 Days |

apexportal Flexible Early Payment Options

Dynamic Discounting	**Auction/Marketplace**	**Flexible Funding**
Sliding-scale early payment discounts available to any supplier.	*Suppliers compete for your available cash.*	*Support your entire supply chain while holding onto your cash.*

Dynamic Discounting

Sliding-scale early payment discounts available to any supplier.

3.0%
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%

10 Days   30 Days
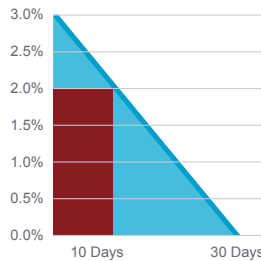
You pay supplier early for a sliding-scale discount.

Auction/Marketplace

Suppliers compete for your available cash.

3.0% 4
2.6% 4
1.8% 4
_____
1.0% 8
0.5% 8
0.2% 8

You set auto-reject, auto-approve, and review thresholds. Suppliers bid. You decide which to take.

Flexible Funding

Support your entire supply chain while holding onto your cash.

SUPPLIER

Day 15

THIRD-PARTY   Day 45   BUYER
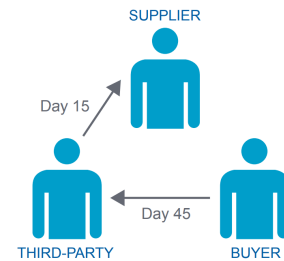
Third party pays supplier early for a discount. You pay third party on due date for full amount.

OPTIMAL BENEFITS

The apexportal Dynamic Discounting and Supply Chain Financing module is highly configurable, giving you lots of options. Design multiple types of discount programs and offer them to some or all of your suppliers. Fund your own early payments or use integrated financing options on demand. Use flexible administrative tools to go 100 percent touchless or design your own approval workflow. The choice is yours.

Flexible Discounting

- **Buyer-Initiated.** Offer sliding-scale early payment discounts based on fixed APRs or on LIBOR rates or hurdles set by your treasury department. Make discounts available to some or all suppliers, on some or all approved invoices.

- **Supplier-Initiated.** Set up online auction marketplaces where suppliers compete for your early payment funds. You can set thresholds for automatically approving offers, rejecting them or sending them for review.

Flexible Financing

- **Add Your Bank.** Integrate your bank into your discounting program and use third-party funding to make early payments to strategic suppliers. Your bank pays suppliers early. You pay the bank the full invoice amount on the original due date or later. It's a way to hang onto your cash for longer, but still support supplier early payment needs.

- **Use Our Pre-integrated Funder.** For mid-tier and long-tail suppliers, use our fully integrated, 100 percent digital solution from The Interface Financial Group. Simply flip a switch or set a threshold to turn funding on or off.

Flexible Administration

- **Intelligent Segmentation.** Use our benchmark data and apexarchimedes™ cognitive technologies to analyze supplier characteristics and behaviors. Use the information to develop cash discount likelihood scores and build the most applicable offers.

- **Multichannel Marketing.** Once your program is established, drive adoption with good contact data and active marketing. Our integrated multichannel marketing solution leverages an extensive database of more than 32 million validated supplier contacts—backed by person-to-person outreach by our team.

- **ERP Integration.** When a discount is accepted or financing is used, communicate directly with your ERP platform to change payment terms or payees. No manual effort is required.

- **Approvals.** Use flexible business rules to configure the portal to be 100 percent touchless or to enable approval workflows that are routed to your team.

apexanalytix®

Ultimate supplier management™

apexrecovery®
Recovery Audit
Services

Accounts Payable
Retail Merchandise
Pricing Compliance
Contract Compliance
Pre-escheatment
Unclaimed Property
Sales & Use Tax

apexportal®
Supplier Portal
Software

Supplier Discovery
Supplier Registration
Risk Management
Performance Management
Supplier Inquiry
Dynamic Discounting
Supply Chain Financing
Payment Terms Optimization
Simple E-invoicing
Contract Management
Document Exchange
Supplier Statement Audits

firststrike®
Controls &
Analytics
Software

AP Controls
Fraud Detect
Reporting & Analytics
Retail Audit
Vendor Risk Analysis

smartvm®
Trusted
Supplier Data

Web App
API
Plus
apexportal

BENEFIT FROM A COMPREHENSIVE FAMILY OF SOFTWARE AND SERVICES

apexportal supports 100 percent of your suppliers, policies and procure-to-pay systems globally, at no charge to your suppliers. And apexanalytix is the definitive "keeper of trusted supplier data"—our smartvm database contains "golden records" for over 70 million supplier records that have been scrubbed, validated, enriched and scored for accuracy. This means you get a secure, easy-to-use, touchless platform for onboarding and vetting new suppliers, continuously monitoring and improving your vendor master data, and more—all in multiple languages and with country-specific functionality. Pair Dynamic Discounting and Supply Chain Financing with other apexportal modules to extend the value of your investment.

- **Supplier Registration:** Automate supplier information management end-to-end with a secure, touchless onboarding solution for all of your suppliers that you can configure your way.
- **Supplier Discovery:** Source suppliers by searching preregistered suppliers, current suppliers and our 32 million-plus supplier smartvm database of proprietary supplier records with contacts.
- **E-invoicing:** Connect to your e-invoicing provider, one of our partners, or our Simple E-invoicing solution.
- **Supplier Inquiry:** Offer your suppliers 24/7 online access to invoice and payment status, in their own language.
- **Statement Audit:** Automate your supplier statement audits for faster recoveries and a lower cost per claim.
- **Supplier Risk Management:** Identify, assess, monitor, mitigate and remediate supplier risk.

apexanalytix revolutionized recovery audit with advanced analytics and the introduction of firststrike overpayment prevention software. Today, apexanalytix leads the world in supplier management innovation with apexportal and smartvm, the most popular supplier onboarding and compliant master data management solutions available. With over 250 clients in the Fortune 500 and Global 2000, apexanalytix is dedicated to providing companies and their suppliers the ultimate supplier management experience. To learn more, visit www.apexanalytix.com, email apexinfo@apexanalytix.com or call +1 800-284-4522.

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