

Dynamic Discounting and SCF

Optimize early payment programs to drive discount capture and optimize cash

Optional early payment discounting is one of today's hottest trends in procure to pay. By offering early payments to suppliers in return for a discount, you can simultaneously improve profitability and working capital! How is that possible? Opt-in programs—like dynamic discounting and supplier-initiated discounts (i.e., auctions/marketplaces)—allow you to extend net payment terms across all of your supplier base, while still supporting the working capital needs of the suppliers who need cash now. Third-party funded early payments (e.g., supply chain financing) provide an off-balance-sheet option, which allows you to continue to support your suppliers' working capital needs even when your own working capital needs change—like in the buildup to a merger or acquisition or simply when you need to “dress up your balance sheet.” apexportal integrates all of these options in a highly configurable Dynamic Discounting and Supply Chain Financing module.



INTELLIGENT SUPPLIER SEGMENTATION

Different suppliers have different cash needs. Proprietary benchmark data and predictive analytics based on a wide range of supplier characteristics and behaviors help you target the most applicable programs and offers to each supplier. Step one is to segment suppliers based on Cash Discount Likelihood scoring.



MULTI-CHANNEL MARKETING

Once your program is set up, how do you drive adoption? The key is good contact data and active marketing. Our sophisticated, multi-channel marketing solution leverages our extensive database of over 70 million suppliers (and their validated contacts), event-driven automated marketing, and person-to-person outreach to drive results. Our benchmarking shows a 10-fold improvement in discounts captured as a result.



ERP INTEGRATION

Regardless of the cash discount options you choose, the apexportal will communicate with your ERP platform to change the payment terms or payee to eliminate any manual effort. Flexible business rules allow you to enable optional approval workflows, however, most clients configure the system to be 100 percent touchless.



BUYER-INITIATED DISCOUNTS

Offer sliding-scale early payment discounts to every supplier on any approved invoice. Offers can be based on fixed APRs or variable rates tied to either LIBOR or hurdle rates set by your own treasury department.



SUPPLIER-INITIATED DISCOUNTS

Also known as auctions/marketplaces, supplier initiated discounts allow suppliers to compete for your early payment dollars. Set auto-reject, auto-approve, and review thresholds. Suppliers bid. You decide which offers to take.



FLEXIBLE FUNDING/ SUPPLY CHAIN FINANCING

Want to hang on to your own cash but still support your suppliers' early payment needs? Third-party funders pay suppliers early. You pay the third party the full invoice amount on the original due date. Most companies have strategic banking relationships which provide supply chain financing to strategic spend suppliers. For mid-tier and long-tail suppliers, use our integrated third-party funding solution—The Interface Financial Group's 100 percent digital invoice discounting. Simply flip a switch or set a threshold to turn the funding on or off for a seamless supplier experience.