

# COVID-19: Working Capital Disruption

9 ways apexportal can accelerate early payment programs during a crisis

## The Impact of COVID-19 Is Real

Liquidity is under pressure. The timing is right for both buyers and suppliers to leverage dynamic discounting and supply chain finance.

Most companies are seeing changes to their working capital because of COVID-19 and the uncertainty about how the pandemic will evolve. Some companies are seeing a surge in cash while others are having significant cash flow problems. Fortunately, the improvements that many Accounts Payable departments have made in recent years—moving to electronic invoices and payments, AP workflow systems, and offering suppliers online access to invoice status—are a strong foundation to launch dynamic discounting and supply chain finance strategies to ease cash flow pressures.

**60%**

*According to a new Ardent Partners' study, Procurement Metrics That Matter in 2020, 60% of companies surveyed said the impact of COVID-19 on their supply chains has been significant or extraordinary.*

## What We Are Seeing in the Market

Organizations that have taken a hit to cash are still offering a discount program to help suppliers, but they are increasingly using third-party funding sources. When using a third-party for funding, the buying organization will either realize a significant decrease or no financial benefit from the discounts captured. This will be paid to the third party as a fee for funding.

Clients that are seeing a large increase in demand for their services have had an uptick in small and medium size suppliers accepting discounts every month as the pandemic goes on. Additionally, several cash rich companies are providing early payments without a discount applied to all of their small and medium size suppliers to further strengthen their relationships.

## What Makes apexportal Dynamic Discounting and Supply Chain Finance Different?

With integration to every source-to-pay system, apexportal is the only dashboard that suppliers need to interact with to manage the complete buyer relationship. From supplier onboarding and e-invoicing to ongoing compliance management. One single point of communication creates engaged suppliers to enforce compliance and accelerate procure-to-pay initiatives.

**Here are nine ways apexportal can drive your early payment program.**

- 1 Accurate vendor data foundation.** apexportal validates and enriches supplier data at onboarding and throughout the life cycle with integration to over 650 government, regulatory and authoritative third-party data sources. Additionally, our database of over 32 million supplier records fills the contact data gaps our clients have so when they need to communicate a discount offer, they have the correct contact info they need.
- 2 Automated discount optimization.** Our predictive analytics engine intelligently scores a supplier's likelihood that they will accept a discount offer and provides a recommended discount. With market changes, this automatically updates supplier discount recommendations to optimize the discounts captured.

- 3 Multiple discount options.** Suppliers are provided sliding scale discount offers that they can accept at any time. They can also set their profile to always accept discount offers or submit discount offers they would like. A buying organization can set thresholds for these offers and automatically reject, approve or send for review.
- 4 Keep it simple for suppliers.** apexportal allows suppliers to accept discount offers directly in an email so suppliers do not have to log into the apexportal. Simply click a link and done!
- 5 Automated email marketing.** Through supplier segmentation, apexportal's email marketing tool automates email campaigns with rates customized to supplier segments. If suppliers prefer to have a conversation, apexanalytix's dynamic discounting team can provide outreach, walk suppliers through their options and directly onboard them to the program.
- 6 Keep your cash, give suppliers early payments.** apexportal can utilize your company's cash, our supply chain financing partners or a company's preferred financial partner to fund the early payment program. This provides the buying organization with flexibility to fund the program with changing market conditions and optimize everyone's working capital.
- 7 Support SMB working capital.** With supplier segmentation, apexportal can automatically pay small or medium size businesses once their invoice is approved. This spend will most likely not impact the buyer's working capital, but can be a lifeline to a small business.
- 8 Payment terms optimization.** Extending payment terms is always tough since it negatively impacts your suppliers' working capital. apexportal provides multiple different discount options for suppliers (always accept discounts, selectively accept discounts, sliding discount rates) to give your suppliers the most flexibility to mitigate any impact.
- 9 Cash forecasting transparency.** apexportal's online dashboard provides payment dates for every early payment so suppliers can plan for upcoming payments and manage their working capital position.

## To Find Out More

If you want to know more about apexportal and how the solution can benefit your organization and bottom line, contact apexanalytix at +1 800-284-4522.



### About the Author

Michael Elliott is Director of Supplier Sales at apexanalytix, where he manages the supplier finance team and works with Fortune 500 supplier's finance departments to improve cash management strategies for buyers and suppliers. Michael brings his experience in consulting with CFOs and finance directors of some of the largest companies in the world to implement successful working capital solutions. He is also the author of *The Leader's Book of Inspiration* and has experience in improving organizational and individual effectiveness with transformative ideas in leadership, culture and personal development.

**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 solution 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](http://www.apexanalytix.com), email [apexinfo@apexanalytix.com](mailto:apexinfo@apexanalytix.com) or call +1 800-284-4522.

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