Aziz: Companies with operations in Asia need to remain agile in order to take advantage of the opportunities within the region, and also to navigate through the world’s uncertain economic outlook.

Aziz: What this means for the treasurers, is to achieve a strong working capital ratio and a healthy balance sheet, which helps them upscale the operations and also deal with the headwinds.

Paul: As a listed company, we know that working capital is an important KPI for us; it is something that analysts consider when they are assessing the performance of our company.
Paul: Not only that,
Paul: we had to improve our working capital
Paul: to support the company’s plans
Paul: for our expansion and acquisitions
Paul: mainly here in Asia Pacific.
Paul: In order to do that,
Paul: I had to increase my payment terms
Paul: to the suppliers to 105 days,
Paul: and I’m fully aware that this is not easy for them,
Paul: and the supply chain finance program comes in handy
Paul: to take away that stress from our suppliers.
Aziz: So the best way we can make ourselves
Aziz: relevant to the supplier
Aziz: is to quantify the benefits.
Aziz: The supplier is able to borrow the funds
Aziz: at a much cheaper rate,
Aziz: as we’re using the borrower’s credit rating.

Aziz: So from a working capital perspective,

Aziz: the supplier receives the funds much earlier in the cycle.

Paul: When we started this supply chain finance program,

Paul: it was completely unknown to us.

Paul: So, the first thing that we had to do

Paul: was to understand in detail this program

Paul: and to select the first supplier

Paul: that we could take on board.

Paul: The other point of learning that we had is

Paul: we also have other offices that purchase goods

Paul: like in India, Australia and so on,

Paul: and they are also on the same program.

Aziz: What we have also done internally within our team is,

Aziz: ensuring that we are also aligned with our global team.

Aziz: You being a global company, us being a global bank,
Aziz: we want to ensure that we all are working together.
Aziz: From your perspective when it comes to the bank
Aziz: you only have one set of people to interact with.
Paul: It’s also important to mention that
Paul: when a new supplier comes on board,
Paul: we do not immediately offer
Paul: the supply chain finance program.
Paul: We first want to make sure
Paul: that we are able to build a long-term relationship.
Paul: Once the first implementation was done,
Paul: we found the whole process going very smooth.
Paul: If there are any regulatory issues,
Paul: we don’t see them at all,
Paul: because they are handled by our banking provider.
Aziz: So for companies looking to set up
Aziz: supply chain finance program,
Aziz: it is very important for the various finances departments to work together especially procurement and treasury team.

Paul: Having a supply chain finance program in place has allowed us to tell suppliers that by working with us they can grow their business, also it makes their life easier when it comes to financing.

Paul: Offering a supply chain finance program is something that not all companies can do and that makes us stand out from the rest.

End card:
What would you like the power to do?
Bank of America
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