

Newgen **Supply Chain Finance** **for Marketplace** Solution

The traditional supply chain financing process is paper-heavy and often fraught with errors, thereby leading to working capital difficulties. The need of the hour is to digitize the complete process while mitigating risks and human error.

The Newgen Supply Chain Finance for Marketplace Solution provides a platform where multiple entities are registered, including buyers, suppliers, and financiers. Financial institutions can leverage the platform to quote their bids on the factoring units while empowering sellers to enjoy the benefits of choosing the best suitable bid.



Supply Chain Finance Explained

The supply chain finance is a set of technology-based business and financing processes that connect various parties involved in a transaction—buyer, seller, and financial institution—to minimize financing costs and improve business efficiency.

- The supplier initiates the invoice of shipped/supplied goods or provided services for the buyer
- The supplier sends the invoice to the financial institution's SCF platform
- The buyer approves the invoices using the same platform
- The financial institution releases the payment against the received invoice
- On invoice maturity, the financial institution debits the amount from the buyer's account

Involved Parties



Buyer



Supplier



Financial Institution



The Stumbling Blocks

Low visibility into data,
records, and transactions

Excessive need for manual
intervention to get real-time
status updates

High operational
expenses

Unavailability of
timestamps for auditing

Lack of timely alerts
and notifications

Poor transaction
management

High
turnaround time

High risk of fraudulent
activities

Lack of reporting
capabilities

Poor collaboration
amongst users



Newgen's Supply Chain Finance for Marketplace Solution

The Newgen Supply Chain Finance for Marketplace Solution, built on a low code digital automation platform, manages the intricacies of complex flows, including factoring, reverse factoring, etc., while enabling seamless supplier and buyer-centric financing. It enables you to streamline day-to-day operations, perform a host of activities, and optimize working capital. With this three-corner model, business users can seamlessly upload, accept, discount, trade, and settle invoices.

Furthermore, with the automated solution:



Sellers enjoy the benefits of:

- Easy, fast financing of receivables at competitive rates, without recourse financing
- Hassle-free documentation
- Better working capital management



Buyers receive the benefits of:

- Working capital optimization
- Better terms negotiation with their suppliers
- Better liquidity, by freeing the cash blocked in inventory



And, financial institutions receive the benefits of:

- Minimized administration costs
- Improved reach to build a strong clientele
- Access to readily available information

The Solution Highlights

Digitized Supply Chain Finance

- Centralized processing of transactions with the convenient routing of role-based workflows
- Increased value delivery to corporate with the timely availability of transactional details for the finance team

Superior User Experience

- An intuitive user interface to drill-down to multiple levels of activities with 100% visibility
- Comprehensive dashboards for faster decision-making

Counterparty Onboarding

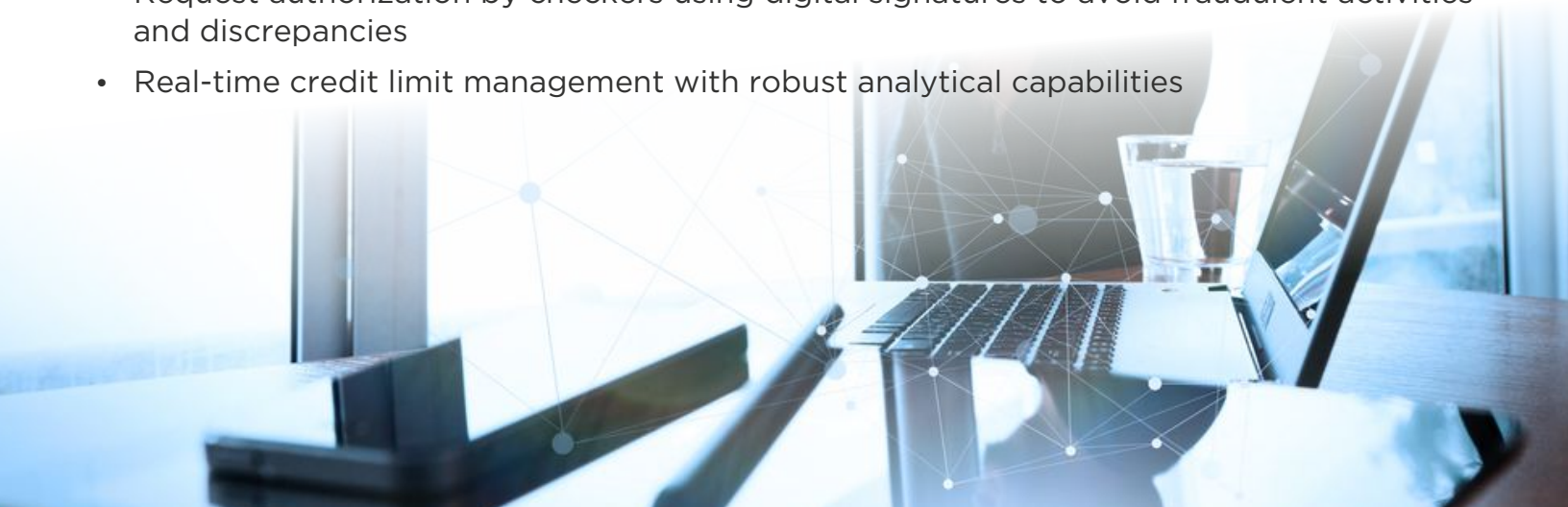
- Separate onboarding module to support corporate buyers and sellers
- Counterparty onboarding via a single, secure sign-on portal
- Instant capture of users' personal and financial details, including limits, credit score, and plans. Post verification, users can securely access the portal

Integration with OmniDocs

- Robust integration with Newgen's OmniDocs Contextual Content Services (ECM) product suite to easily upload and access contextually accurate documents
- Upload of multiple invoices and goods receipt notes (GRNs)
- Accessibility of documents and their recordings, related to a specific order request, purchase order, invoice, GRN type, etc.

Anti-fraud Risk Management

- Identification of duplicate and fraudulent invoices and requests with dedupe checking
- Request authorization by checkers using digital signatures to avoid fraudulent activities and discrepancies
- Real-time credit limit management with robust analytical capabilities



Program Parameters

- Various checks at the counterparty level, including maximum/minimum financing percentage, maximum/minimum tenure, preferred disbursement mode, and settlement
- Additional checks for automatic financing, settlement, and acceptance of invoices

Limits Set-up

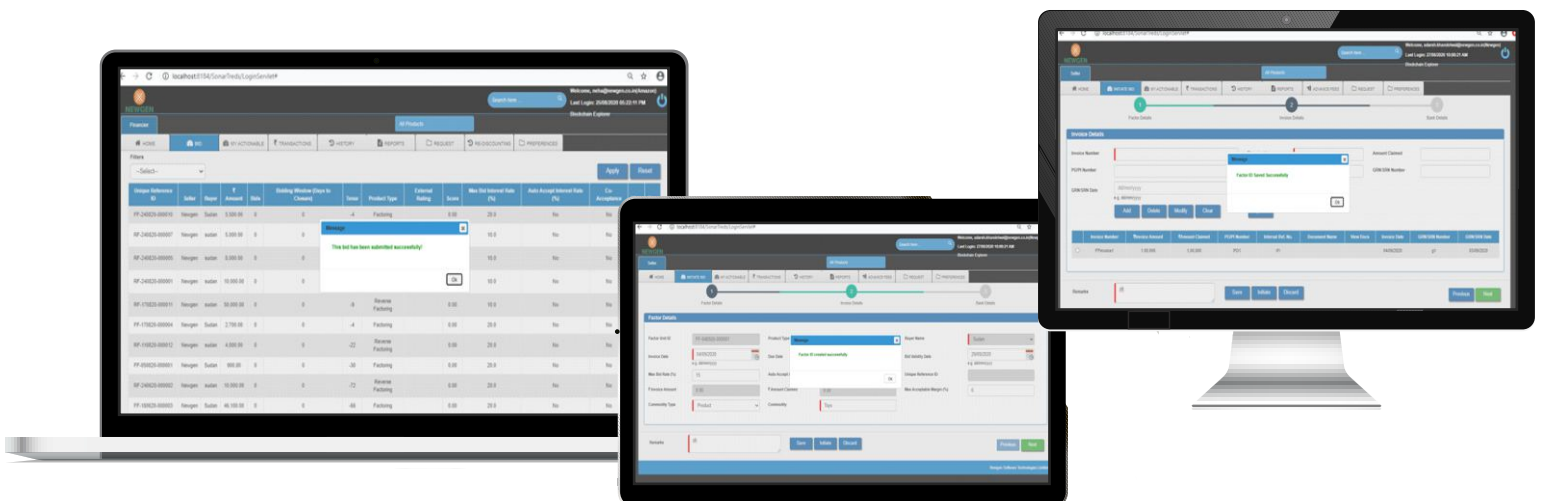
- Sanctioned and ad hoc limit checks for eligibility at anchor, program, and counterparty levels

Invoice Management

- Manual creation and upload of invoices, along with options to amend, cancel, and accept
- Auto-financing of invoices based on predefined parameters with instant amendment options
- Easy upload of scanned invoices
- Auto-financing of accepted invoices, based on set parameters
- Invoice status monitoring and real-time updates of users' details

Invoice Settlement

- Quick settlement based on predefined rules for invoice and finance payment
- Instant detection of outstanding invoices or finances from the buyer or seller
- Reconciliation of outstanding invoices against the payment initiated by the buyer/seller without manual intervention
- Automated disbursal and repayment by a settlement utility



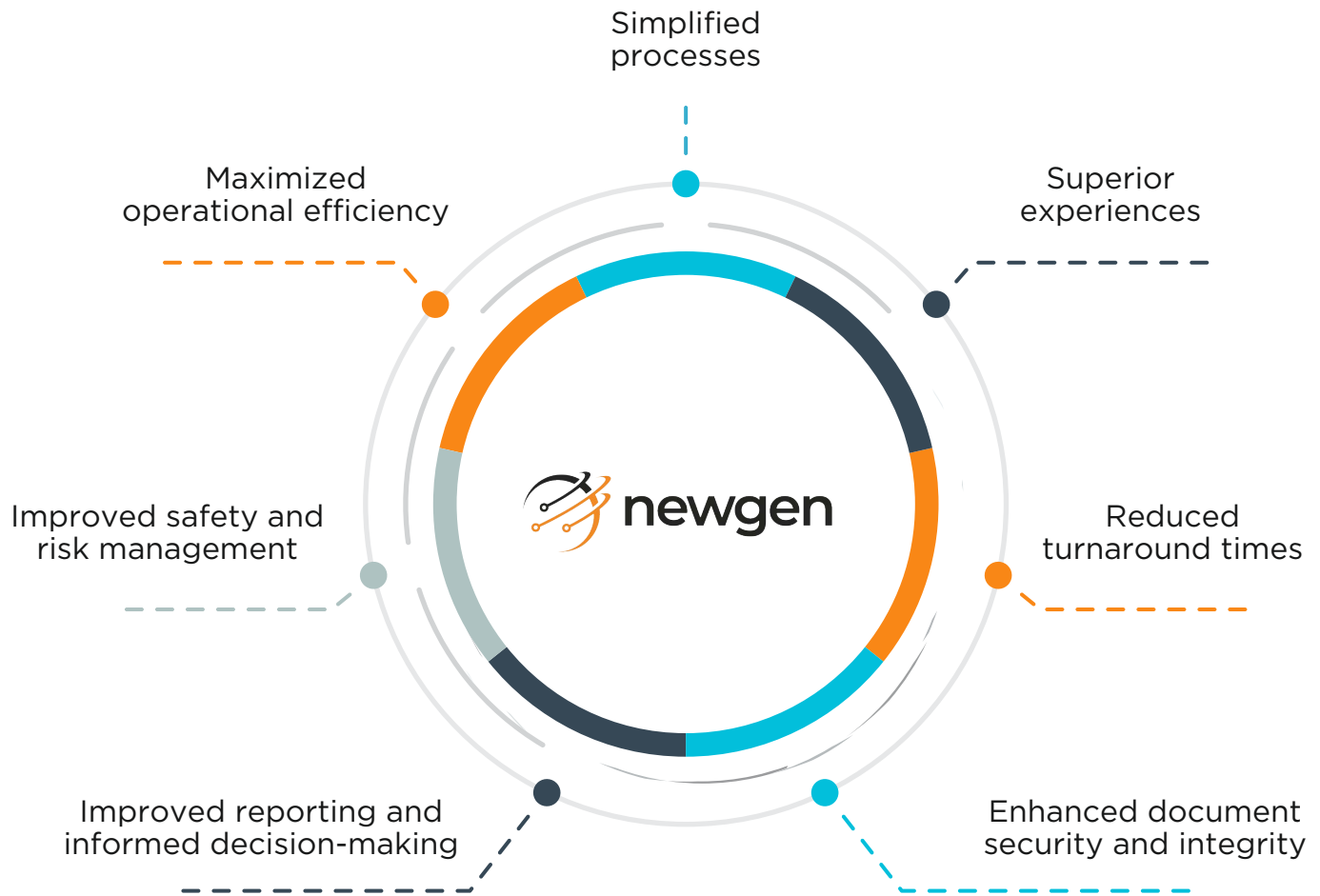


How the Solution Works?

- Based on an invoice or bill of exchange (BOE), the seller creates a “factoring unit**” on the Newgen supply chain marketplace platform. The buyer also logs into the platform and accepts the factoring unit. In the case of reverse factoring, the buyer initiates the factoring unit
- The seller uploads supporting documents, evidencing the movement of goods, per the predefined checklist of acceptable documents
- The factoring units will be available for financing by any of the financial institutions registered on the system. The quoted all-in costs will be reflected and the price will be available for sellers—it will not be displayed to other financial institutions
- There will be a window period for financial institutions to quote their bids against the factoring units
- The seller can accept the best-suited bid and the financial institution will be immediately notified to provide financing per the factoring unit
- Once a bid is accepted, the factoring unit is reflected as “financed” and the funds are smoothly credited to the seller’s account. The actual settlement of such funds will occur as outlined under the settlement section

*Factoring unit contains details of the seller and the buyer, product type, invoice amount, amount claimed, bank details, instrument type (invoice, BOE, etc.), instrument/due/bid validity date, PO/PI number, internal reference number (transaction reference number generated from Tally), maximum bid rate, auto-guaranteed rate, etc.

Why Newgen's Supply Chain Finance for Marketplace Solution?



About Newgen

Newgen is the leading provider of a unified digital transformation platform with native process automation, content services, and communication management capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and for many more use cases across industries. Newgen unlocks simple with speed and agility.

FOR SALES QUERY

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