EXECUTIVE BRIEFING

CROSSFLOW
THE WORKING CAPITAL MARKETPLACE

HOW TO SELECT A WORKING CAPITAL FINANCE PROGRAMME

A short guide for CFOs, Finance Directors, Treasurers and Procurement Directors

Working capital finance has numerous benefits for enterprises and their suppliers. This brief guide is designed to help you select right finance programme.

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As a Chief Financial Officer (CFO), one of your key responsibilities is to manage the company's working capital effectively. Working capital finance programs can provide the necessary funding to support day-to-day operations and growth. However, choosing the right program requires careful consideration to ensure it aligns with your company's needs and goals. Here is a step-by-step guide to help you select a working capital finance program:

KEY STEPS TO CONSIDER MAKING THE RIGHT DECISION

1. **Assess your company's working capital needs**: Begin by evaluating your current and future working capital requirements. Consider factors such as inventory levels, accounts receivable, accounts payable, and cash flow patterns. Determine the amount of financing needed and the specific areas where additional funds are required.

2. **Identify potential financing options:** Research and identify various working capital finance programs available in the market. Some common options include bank lines of credit, invoice factoring, supply chain financing, and trade credit. Explore alternative financing sources against traditional sources to find the best fit for your company.

3. **Evaluate eligibility and qualification criteria:** Review the eligibility criteria of each financing option. Some programs may have specific requirements regarding company size, creditworthiness, industry type, or minimum revenue thresholds. Make sure your company meets the necessary qualifications before proceeding further.

4. **Understand the cost and terms:** Examine the cost structure and terms associated with each financing program. Evaluate interest rates, fees, repayment terms, and any other financial obligations. Compare the costs across different options and determine which program offers the most favorable terms for your company.

5. **Assess the provider's reputation and stability:** Research the reputation and stability of the financial institutions or providers offering the working capital finance programs. Consider factors such as their track record, financial strength, customer reviews, and industry expertise. Choose a provider that is reputable, reliable, and capable of meeting your company's long-term needs.

6. **Evaluate the flexibility and scalability:** Consider the flexibility and scalability of the working capital finance program. Assess whether it can adapt to your changing business requirements and support future growth. Look for programs that offer flexibility in borrowing limits, repayment terms, and the ability to adjust financing levels based on your company's needs, and what is the most important if the service can be provided to your global operations and supply chain in one single contract, rather than going through multiple agreements by geography.

7. **Robust technology, easy integration and seamless customer experience:** The success of your finance programme is ultimately driven by the strength of the technology underpinning it. You need to select a robust platform with proven technology that works within the operational framework of your organisation, including integration with SAP Financials and ERP. Integration with your operational systems should take hours, not days, and supplier onboarding should take minutes. Technology has transformed customer expectation for seamless customer experience. The working capital finance platform must be user-friendly and provides the best customer experience, so you will increase the uptake and efficiency of your programme and keep both your organisation and suppliers happy.

8. **Conduct due diligence:** Before finalizing any working capital finance program, conduct thorough due diligence on the selected provider. Verify their credentials, review the contract terms and conditions carefully, and seek legal advice if necessary. Ensure you fully understand the implications and obligations before signing any agreements.

9. **Experience, knowledge and reliable funding at optimised costs:** You should find a provider that has worked with an array of corporates in different sectors and has a proven track record of delivering successful programmes with tangible results for corporate customers and their suppliers, as well as their funders. This ecosystem needs to work collaboratively to ensure the long-term success of your entire supply chain.

10. **A holistic, end-to-end approach to benefit your strategic objectives:** Ultimately, you should select a programme that will benefit both your company and your suppliers in the long term and support sustainable growth. There should also be strong support in place to optimise uptake of the programme and use of the platform by your team and your suppliers. As consumers are increasingly aware of environmental, social and corporate governance (ESG) issues, it is crucial that you actively protect and support the long-term sustainability of your supply chain and ensure that every company within it thrives.

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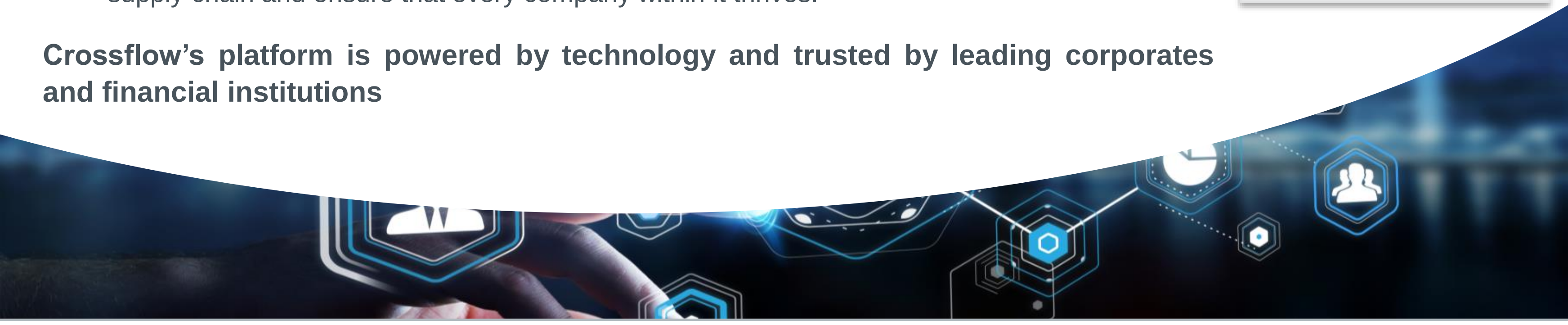
>
> **Magda Rozczka, CEO, Crossflow**

For further information

Contact Us

Crossflow's platform is powered by technology and trusted by leading corporates and financial institutions



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