

# Financial supply chain management

## KPMG and Taulia: Transforming the Financial Supply Chain

Helping to streamline supplier finance

“Financial supply chain” refers to the monetary transactions that occur between trading partners that facilitate the purchase, production, and sale of goods and services. Companies tend to allocate considerable resources to managing their physical supply chain, often at the expense of their financial supply chain. The disconnect between these interrelated supply chains can have severe consequences on a company’s working capital, and at times can threaten its very existence.

A recent Taulia report<sup>1</sup> found that 47 percent of suppliers are paid late, while a KPMG procurement survey<sup>2</sup> found that fewer than 30 percent of buyers offer a supply chain finance program.

We believe that managing cash and capital is just as important as managing the flow of goods and relationships among trading partners. This is why KPMG LLP (KPMG) and Taulia have partnered to offer a technology-enabled service to help our clients transform their financial supply chain. Together, we can help organizations optimize working capital, realize significant savings, and improve supplier relationships.

Our team combines KPMG’s market-recognized supply chain, procurement, and financial management capabilities with Taulia’s leading suite of technology products to streamline the flow of financial information between buyers and suppliers. The resulting potential benefits for both buyers and suppliers include significant procure-to-pay transparency and operational efficiencies, comprehensive supply chain financing options, and enhanced trading relationships across the supply chain.

<sup>1</sup> Source: Taulia Report – <http://resources.taulia.com/i/497554-empowering-suppliers-insights-into-what-suppliers-use-want-and-expect-from-early-payment-programs/3>

<sup>2</sup> Source: KPMG Survey – <https://home.kpmg.com/xx/en/home/services/advisory/management-consulting/powerofprocurement2.html>

## KPMG's Supplier Finance Services

Our Supplier Finance service offering, enabled by Taulia Business Exchange, provides our clients a managed service encompassing strategy through implementation and support, to help ensure we deliver tangible, bottom-line impact.

At the start of an engagement, KPMG works closely with Taulia to develop an overarching tailored Working Capital strategy that is supported by the Procurement, Operations, Finance, and Treasury functions within the client organization. A component of this is a business case for a Supplier Finance solution that analyzes the client's supplier base and quantifies the potential value proposition. KPMG then leads a team through the implementation, which has three distinct work streams:

- **Technology** – focuses on the technical design and integration of the Taulia platform with the client's ERP system
- **Process** – focuses on helping to optimize the P2P process through simplification and standardization to help ensure invoices are approved in a timely manner, since a robust P2P function is a pre-requisite for a successful Supplier Finance program
- **Supplier Enablement** – focuses on onboarding suppliers to the Taulia platform in waves

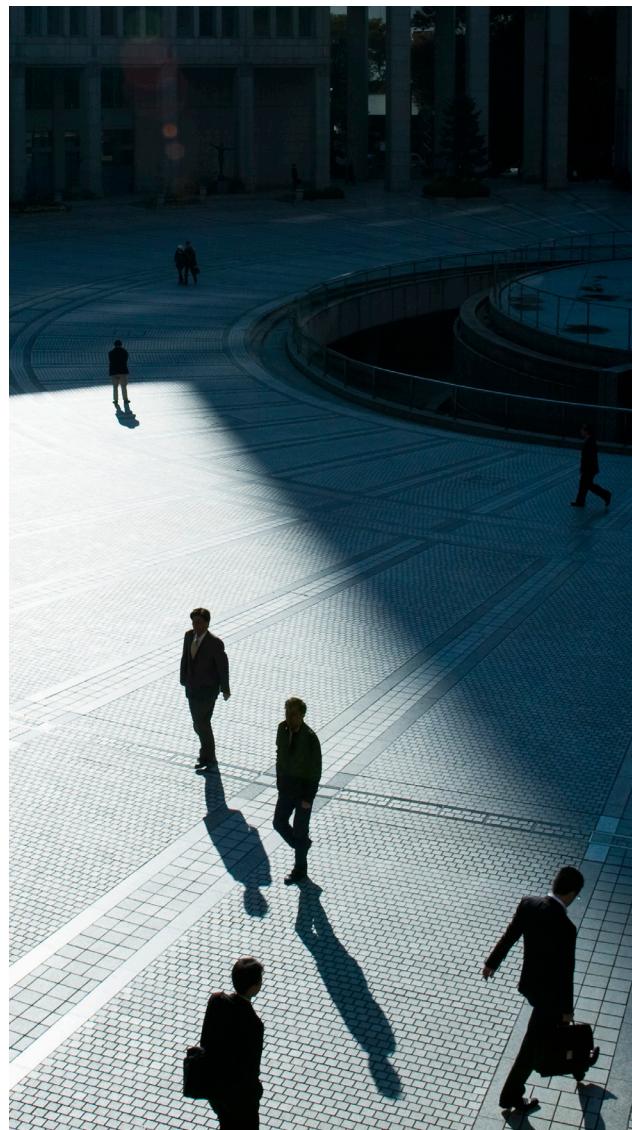
Once the solution has been deployed, we offer our clients ongoing support to continually help optimize the underlying business processes, manage their existing supplier base, and expand the offering to additional suppliers.

## The Taulia Business Exchange

Taulia's leading cloud-based technology suite, Taulia Business Exchange, which is customizable and scalable, can enable an organization to provide suppliers with fast access to cash through early payment of invoices. Buyers can choose to use their own cash, third-party cash, or a combination of both in exchange for early payments to suppliers, enabling suppliers to obtain cash sooner and at a lower APR than they would receive through alternative financing. Buyers win because it strengthens their supplier relationships and creates new revenue streams; suppliers win because they obtain access to cash with the click of a button.

"Taulia's easy-to-use solution for automating invoice, payment, and discount management, paired with KPMG's ability to understand the complexities of designing and managing supply chains, creates value and drives innovation for our shared clients."

– **Samir Khushalani**  
KPMG Principal, Procurement  
and Operations Advisory Lead



## Potential benefits of KPMG and Taulia's Supplier Finance Solution

Organizations facing procurement, IT, and finance challenges may receive the following benefits from combined KPMG-Taulia services:

Business Challenges	Potential Benefits
	<b>Procurement</b>
<ul style="list-style-type: none"><li>• Enhancing relationships with suppliers</li><li>• Savings expectations/targets</li><li>• Disparate payment terms</li><li>• Missed early payment discounts</li></ul>	<ul style="list-style-type: none"><li>• Improved relationships with suppliers</li><li>• Substantial positive P/L impact</li><li>• Optimized payment terms</li><li>• Capture of all possible early payment discounts</li></ul>
	<b>Information technology</b>
<ul style="list-style-type: none"><li>• Legacy procurement technology integration is fragmented and complex.</li><li>• There is resistance to new vendor solutions because of change management, security, and IT constraints.</li><li>• Legacy procurement technology does not effectively enable consistent capture of early payment discounts.</li></ul>	<ul style="list-style-type: none"><li>• Taulia's ERP-agnostic, cloud-based platform is certified and secure and can facilitate successful capture of discounts in a consistent manner.</li></ul>
	<b>Finance</b>
<ul style="list-style-type: none"><li>• Optimization of working capital.</li></ul>	<ul style="list-style-type: none"><li>• Pay invoices early using corporate cash or third-party cash such that various business objectives can be achieved.</li></ul>



## Why KPMG and Taulia

Taulia's easy-to-use platform for automating invoice, payment, and discount management, paired with KPMG's ability to understand the complexities of designing and managing supply chains, creates value and drives innovation for our shared clients.

- Innovation – Taulia is constantly iterating their suite of products to meet the changing needs of customers, helping to provide them the most valuable experience possible.
- Flexibility – Buyers can simply and easily choose between using their own cash or third-party cash to fund early payments.

- Acceleration – Through strong cross-functional alignment, KPMG can drive a comprehensive internal change management initiative, preparing the relevant constituents for their roles to deliver the value outlined in the business case.
- The KPMG team will serve as the client's business partner throughout the program. KPMG will use a holistic approach to help clients optimize their purchase-to-pay process and will provide ongoing supplier enablement support.

Not permissible for KPMG audit clients and their affiliates.

### Contact us

For more information on how KPMG can address your financial supply chain needs, please contact:

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