

## SUPPLY CHAIN FINANCE

**Course Duration:** 30 hrs (20 sessions)

**Course Faculties:** Prof. M.Venkateshwarlu & faculty from the Finance Area

### Introduction:

Supply Chain Finance (SCF) implies more recently developed financing and risk mitigation techniques. It is far more likely to be used in open account trade where the buyer and seller have done business together before. Supply Chain Finance deals with a set of solutions within trade finance implemented by numerous financial institutions, leading corporate buyers, and trading partners worldwide. The critical characteristic of the SCF is that the various techniques available are driven by the nature of the physical supply chain. This Program provides background on the growing importance of Supply Chain Finance, delving into the key elements, available options from which solutions are implemented, and an in-depth view of success factors.

### Course Objective:

Co 1: Understand the supply chain finance ecosystem

Co 2: Learn how to assess the funding gaps as a result of trade cycle analysis

Co 3: Understand and evaluate the supply chain finance techniques

**Target Audience:** Middle Level and Senior level Management

**Relevant Industry:** Manufacturing, trading, and service organizations, including banks and NBFCs

### Pedagogy:

- Teaching through flipping classrooms and collaborations
- Selective case studies

### Reference Materials:

- Financing the End-to-End Supply Chain, Simon Templar, Erik Hofmann, and Charles Findlay, Kogan Page.
- Supply Chain Financial Management: Best Practices, Tools, and Applications for the improved Performance, Robert J Trent, Springer.
- Global Supply Chain Ecosystem for Competitive Advantage, Mark Miller, Kogan Page Publishers

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## Session Plan (Each Unit 1.5 Hours):

Module No.	Session No.	Topics	Readings / Case Study / Videos
<b>Module 1: What is Supply Chain Finance?</b>	1-2	<ul style="list-style-type: none"> <li>• Introduction to Supply Chain -Collaborative Supply Chain</li> <li>• Financing Operations and Inventory</li> <li>• Supply Chain Efficiency and Firm Performance</li> </ul>	<ul style="list-style-type: none"> <li>• Global Supply Chain Eco-systems (Ch-1: from the book 'Global Supply Chain Eco-systems: strategies for competitive advantage')</li> <li>• Hewlett Packard: performance Measurement in the Supply Chain, Condensed Version (HBS)</li> </ul>
<b>Module 2: How much do you need to fund operations?</b>	3-6	<ul style="list-style-type: none"> <li>• Trade Cycle Analysis - Estimation of Working Capital in Manufacturing Vs Trading Firm.</li> <li>• Review of Bank Finance, Trade Finance, and Instruments of Finance</li> </ul>	<ul style="list-style-type: none"> <li>• Comfort Wool Limited, A Case study by Prof. M. Jayadev and Prof. M Venkateshwarlu</li> <li>• Nobel Group, HBS Case</li> </ul>
<b>Module 3: What are the options and methods of financing operations?</b>	7-11	<ul style="list-style-type: none"> <li>• Supply Chain Finance Options - Institutional Finance Vs Instruments, Trade Finance.</li> <li>• Supply Chain Finance in a Global Setting – Financing Foreign Trade</li> <li>• Understand the Forex Risk</li> </ul>	<ul style="list-style-type: none"> <li>• Supply Chain Finance at P&amp;G, HBS</li> <li>• The Fall of Greensill and future of Supply Chain Finance, HBS Case</li> </ul>

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<b>Module 4: How to choose the best option to finance operations?</b>	12-16	<ul style="list-style-type: none"><li>• Cost and Benefits analysis of Supply Chain Finance arrangements and options</li><li>• Value Creation through SCF arrangements</li><li>• Legal aspects of SCF contracts</li></ul>	<ul style="list-style-type: none"><li>• Supply Chain Finance at P&amp;G (HBS)</li><li>• F Mayer Imports: Hedging Foreign Currency Risk, HBS Case</li></ul>
<b>Module -5: FinTech in Supply Chain Finance</b>	17-20	<ul style="list-style-type: none"><li>• Fintech and its relevance to Supply Chain</li><li>• Future of Supply Chain Finance in the Digital era</li><li>• FinTech Products and Evaluation – Case analysis</li></ul>	<ul style="list-style-type: none"><li>• The Rise of FinTech in Supply Chains, HBS Article</li><li>• TradeIXBlock Chain Enabled supply Chain Finance in Global Supply Chains (HBS)</li></ul>

### Learning Outcomes:

After completion of the course, participants would be able to:

- Understand the supply chain finance ecosystem
- Learn how to assess the funding gaps as a result of trade cycle analysis
- Understand the supply chain finance techniques in a global setting
- Become familiar with the FinTech in SCF