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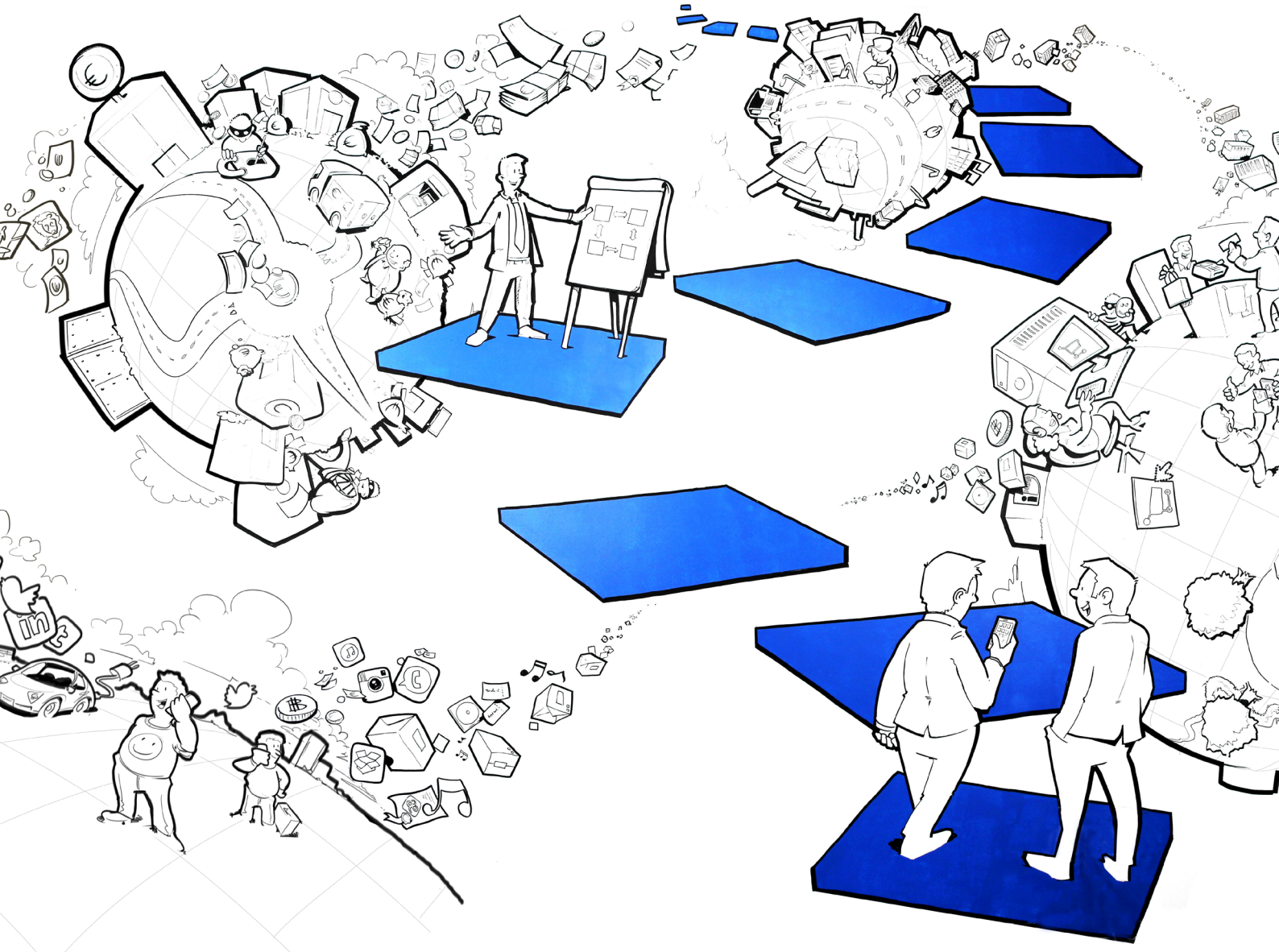

Feasibility study: Status Based Receivables Financing (SBRF)

> *Standardized invoice status information and exchange will create better receivables finance propositions for SMEs and their financiers*

Dutch Ministry of Economic Affairs

In collaboration with:
Fraunhofer IML
Supply Chain Finance Community
Windesheim

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II. PREFACE

Improving access to finance for European SMEs is at the top of the political agenda. As a result, there is a growing desire and need from both national governments and SMEs alike to organize financing in an easy and cost effective manner. With the advance of electronic invoicing, payment and risk assessment techniques, new methods for financing SMEs are becoming available. The Dutch Ministry of Economic Affairs has set a clear objective to improve access to finance for SMEs to enhance liquidity and working capital.

In Q3 of 2014 Innopay and M3 Consultancy were commissioned to execute two feasibility studies in parallel. M3 Consultancy focused on a short-term model enabling cost effective onboarding of SMEs in existing reverse factoring programs. Innopay assessed the feasibility of a long-term model for receivables finance aiming to improve the financeability of invoices through standardization and exchange of invoice status information with financiers. As part of the studies many stakeholders and market actors were involved through interviews and workshops.

This Innopay study explores the feasibility of an inclusive model for receivables finance. The backbone of this model is a set of agreements regarding standardization of invoice status information, its (real-time) exchange and which puts its participants in a trusted business relation with each other. Participants include actors throughout the financing and e-invoicing value chain, including e-invoicing service providers, ERP/accounting software vendors, finance platforms, banks and other type of financiers.

Keywords: Financing SMEs, receivables finance, electronic invoicing, risk information, invoice status information, standardization, straight-through processing

This document is structured as follows:

Section 1 puts forward the problem definition for the lack of access to financing for SMEs and establishes the scope of this study including the key research question to be answered.

Section 2 elaborates on the research question and design of this feasibility study.

Section 3 provides an answer to the key research question of this study and describes the conceptual receivables finance model by elaborating on essential aspects; invoice status information, roles, information flows and risks.

Section 4 explains the relevance of a collaborative standardization approach with market actors to realize the model.

Section 5 explains the link with Simplerinvoicing as a potential key building block of the model.

Section 6 describes the customer journey that will be enabled from an SME perspective.

Section 7 summarizes main conclusions and puts forward recommendations for realization of this model to improve access to finance for SMEs.

III. MANAGEMENT SUMMARY

This feasibility study has been executed by Innopay on behalf of the Dutch Ministry of Economic Affairs in close collaboration with Fraunhofer IML, the Supply Chain Finance Community and Windesheim University. This study is part of a comprehensive action plan from the Dutch Ministry of Economic Affairs to improve access to finance for SMEs.

Introduction

Small and medium-sized enterprises (SMEs) are becoming increasingly dependent on alternative ways to finance their working capital, as their trading counterparts are extending payment terms. At the same time increased capital requirements resulting from Basel III are forced upon banks limiting access to traditional sources of funding for SMEs.

As a result, financing SMEs is not trivial:

1. Supply Chain Finance (SCF), i.e. buyer driven financing programs such as reverse factoring are not scalable to achieve mass adoption among SMEs, and;
2. Asset based (receivables) finance and factoring involves time consuming, manual risk assessment based on historical data, leading to a certain minimum financing value.

Improve receivables finance by leveraging invoice approval and payment status information

This feasibility study focuses on improving receivables finance propositions for SMEs. Specifically this study assessed whether the financeability of receivables could be improved through standardization and exchange of invoice status information.

The underlying hypothesis for this study builds upon the increasing digitization and exchange of invoices by ERP solutions and electronic invoicing (e-invoicing) providers. E-invoicing enables efficient use of metadata, e.g. invoice status, in the financing process. This resulted in the following research question:

> ***Research question:***
> *Does standardization of invoice status information and its exchange improve the financeability of receivables for SMEs and financiers?*

This question was answered through interviews with various industry actors operating in the e-invoicing and financing landscape, i.e. banks, asset-based financiers, factoring companies, corporates, finance platforms, e-invoicing service providers, ERP/accounting software vendors and industry organizations representing SMEs in different industries.

Straight through processing via connected service providers

The concept of 'Status Based Receivables Financing' (SBRF) is summarized in figure 1. The figure depicts the complete flow from the invoice status of the buyer to the financier of the SME supplier.

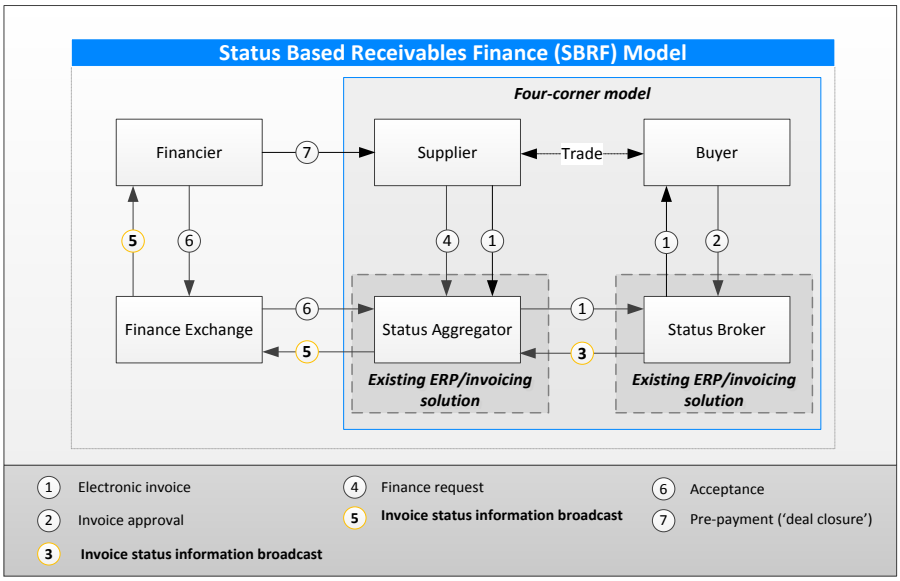


FIGURE 1: ROLES AND FLOWS IN THE STATUS BASED RECEIVABLES FINANCE (SBRF) MODEL. SOURCE: INNOPAY, 2014

The invoice status is part of a seven-step process the (SME) supplier, buyer and (alternative) financier are engaged in and serves as a basis for the financing. In order to facilitate this interaction enabling roles are defined: 'Status Broker', 'Status Aggregator' and 'Finance Exchange'. This process is shown in figure 2.

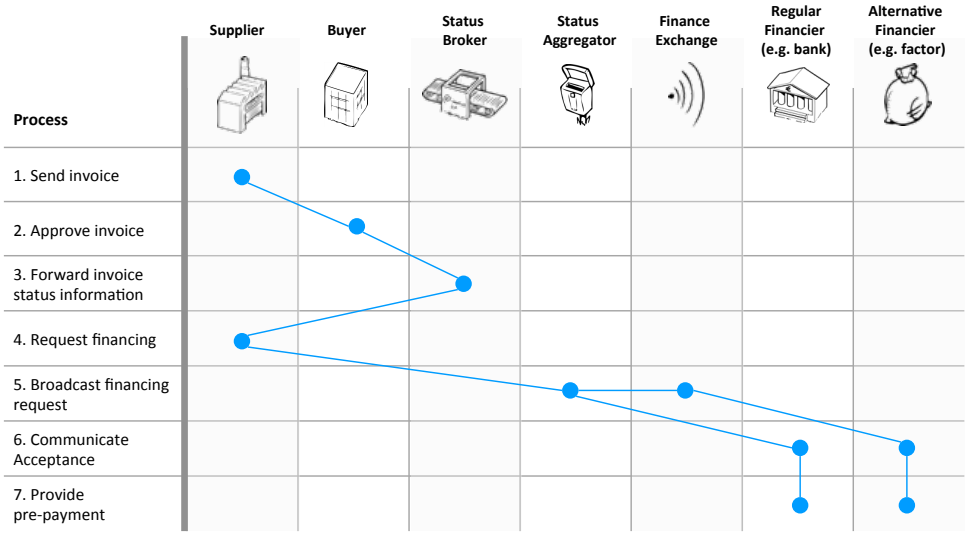


FIGURE 2: THE INVOICING AND FINANCE PROCESS. SOURCE: INNOPAY, 2014

The financing is initiated by the SME supplier via 'one-click' (or automated) in its ERP software or invoicing solution. The supplier has the option to use a finance exchange or to send its finance request directly to a selected financier (e.g. own bank). The SBRF model is 'inclusive', meaning that both existing and new service providers are able to fulfil one or more roles as defined in the model.

Fast time to market of SBRF could be realized by making use of The Simplerinvoicing network initiated by the Ministry of Economic Affairs. This is a secure and reliable messaging network that could function as the basis for standardized exchange of invoices status information. There are already service providers active in this network that can fulfil one or more roles as envisioned in the SBRF model. Also providers outside of this exchange network can participate, under the condition that they adhere to the standards.

Overall research outcome: exchanging standardized invoice status information will improve receivables finance

The research results indicate that the exchange of standardized invoice status information could improve the financeability of receivables for SMEs and financiers. Five key outcomes resulting from the interviews and analysis are described below.

1. Governance for trust in the SBRF model

A neutral multi-stakeholder governance of the operational, technical and legal standards will ensure appropriate trust and uniform implementation of the SBRF network model. Stakeholders need to be selected upon the decision to pursue its realization. The SBRF network should be 'cross border by nature'.

2. Buyer invoice approval process is key

The invoice approval by the buyer is an essential step to start the flow of information in the SBRF model. The buyer will provide this approval via its regular administrative process (typically after three way matching). The incentive for large(r) buyers to cooperate and share the invoice approval status is more of a 'soft nature' (e.g. corporate social responsibility, CSR). Smal(ler) buyers will be more inclined to participate as they are SME suppliers themselves in other trading relationships (i.e. sense of reciprocity is stronger).

3. Invoice approval status can be 'self-declared' and evolve to higher levels of assurance

The 'assurance' of invoice approval can be as simple as a *'self-declaration'* by the buyer, because this already provides substantial improvement to today's situation where an invoice of an SME supplier is completely disconnected from the buyer's approval process. The support of invoice approvals by buyers with higher 'levels of assurance' (e.g. *'verified'*, *'guaranteed'*) could be considered at a later stage. This implies involvement of a third party in the buyer's approval process. This will require the set-up of an adequate legal framework governing relations (i.e. obligations and liabilities) between actors involved.

4. Buyer risk assessment process could be enriched through invoice status information

The process for the assessment of a buyer's credit risk by the financier could be enriched through invoice status information. Financiers have the option to use third party rating agencies for this purpose. The SBRF model could provide additional data on, for example, buyer's historic payment behaviour, which could be incorporated by these agencies or by the financiers directly as part of risk assessment.

5. Benefits are recognized, but need to be quantified

The improvement of financeability is found in better risk management and transparency for financiers (less defaults), straight through processing (STP) for the whole chain (lower cost to serve) and more financing options for the SME (lower financing cost). The quantification of benefits for each of the six stakeholders in the SBRF model, i.e. buyer, supplier, financier, finance exchange, status broker and status aggregator needs to be assessed in the next phase as part of the final 'go / no go' decision.

Next phase: scoping and forming the launching coalition

In order to advance the promising and feasible SBRF model a phased approach is needed with clear 'go / no go' decisions during the process. This approach is visualized in figure 3.

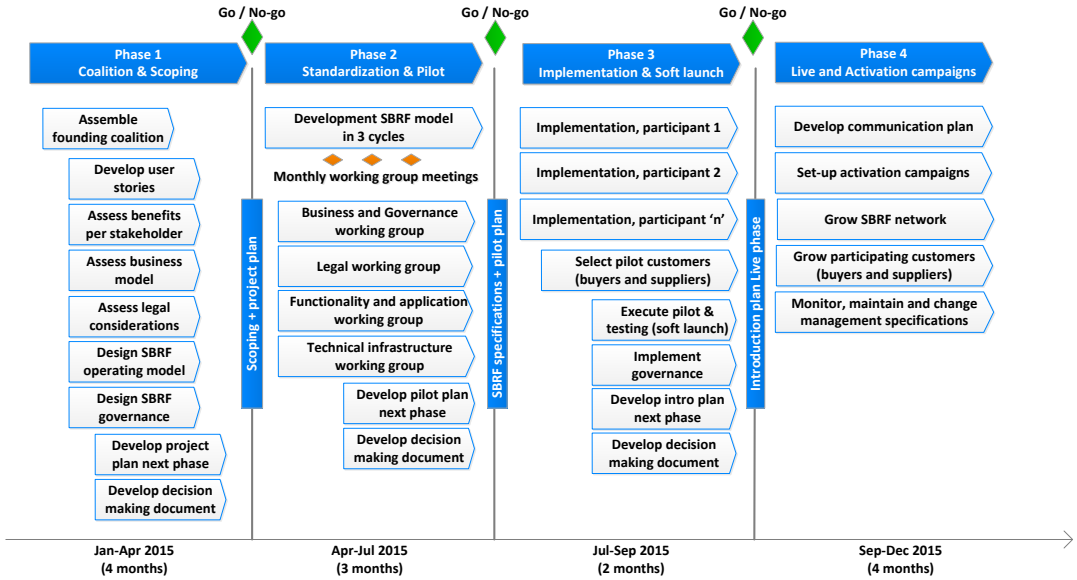


FIGURE 3: PLANNING AND ACTIVITIES FOR THE DEVELOPMENT OF SBRF MODEL. SOURCE: INNOPAY, 2014

From this initial feasibility study up to the live operation of the model (i.e. phase 4) three phases are foreseen:

- **Phase 1:** Coalition forming & Scoping (duration: 4 months)
- **Phase 2:** Standardization & Pilot execution (duration: 3 months)
- **Phase 3:** Implementation & Soft launch (duration: 2 months)

Key topics for the first phase are: development of a 'coalition of the willing', functionality scoping through user stories, quantitative assessment of stakeholder benefits, insight in legal considerations of the model, impact assessment on use of Simplerinvoicing as a potential launching platform for SBRF and business model considerations. As part of this phase, project governance will be installed, consisting of a project board reporting to the SBRF steering group. This phase should result in a solid scoping document and project plan for the next phase. These documents will be used to facilitate the decision making by the SBRF steering group.

1. PROBLEM DEFINITION: LIMITED ACCESS TO FINANCE FOR SMEs

SMEs have limited access to traditional sources of funding (i.e. bank lending), which can be mainly attributed to increased capital requirements forced upon banks as a result of the Basel III amendments. The higher capital ratios and new rules on risk weightings on SME loans and overdrafts impede adequate access to funding (REF 1 & 2). Recent developments such as the latest Late Payments Directive (2011/7/EU) and measures taken at country level to accelerate supplier payments testify to the seriousness with which the SME financing problem is regarded (REF 3).

Buyer driven financing programs (i.e. Supply Chain Finance, also referred to as Supplier Finance or Reverse Factoring) has gained traction in recent years. However, this category of financing programs is typically geared towards a buyer's strategic suppliers representing a certain minimum annual spend. The 'long-tail' of non-strategic suppliers is not eligible to participate in such programs due to the high onboarding costs (REF 4). Interesting development is the emerging presence of non-bank SCF providers (e.g. Orbian, PrimeRevenue, Pro Quidity) that specifically target this longtail through cost-effective (online) onboarding processes. However, it is not expected that these solutions will fully address the SME financing problem as they rely on the involvement of a buyer with a strong credit rating.

Next to buyer driven financing propositions, SMEs can revert to receivables driven financing instruments for their working capital, such as factoring or asset based (bank) financing. Within these instruments different forms can be distinguished (e.g. recourse vs. non-recourse), but all have in common that accounts receivables of an SME are financed at a discount. In return, the SME has more liquidity. The core competence of the providers of these financing instruments is assessing the risk associated with the accounts receivables of a particular SME. All sorts of external data providers are involved in this risk assessment, further driving the cost of financing.

E-invoicing service providers (e.g. Basware, OB10, Tradeshift) are seeking to address this market through 'early payments' propositions. However, adoption of these services is still lagging behind (in The Netherlands).

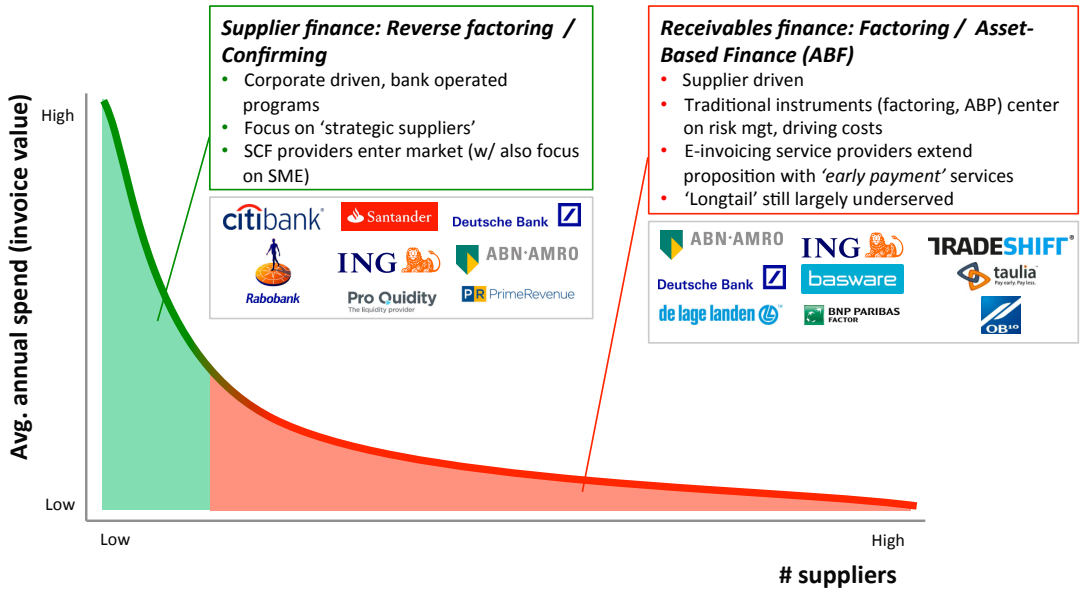


FIGURE 4: TYPICAL SUPPLIER BASE AND AVAILABLE FINANCING INSTRUMENTS INCL. SAMPLE OF SERVICE PROVIDERS (NON-EXHAUSTIVE). SOURCE: INNOPAY, 2014

Figure 4 above summarizes the availability of financing instruments for a typical supplier base; where 20% of the suppliers (i.e. green area) represent 80% of the average annual spend. These strategic suppliers are eligible to participate in buyer driven reverse factoring programs to safeguard supply chain stability and delivery reliability.

The 'long-tail' of non-strategic suppliers in figure 1 (red area, i.e. typically SMEs with lower value invoices) does not qualify for these reverse factoring programs, as it is economically unfeasible for buyers (and their SCF provider) to onboard, build and maintain financing relations with all SME suppliers. As a result, SME suppliers are forced to revert to relatively high-barrier financing instruments (e.g. factoring or asset based financing) for working capital.

Financing SMEs has always been considered a risky business by banks and other types of financiers because of the challenge that stem from the following characteristics that are inherently related to this practice:

1. Limited basis for SME risk assessment, as a result of low-quality risk information; with the difficulty in getting the required clarity on the status of receivables and risk profile, SME financing becomes a cumbersome process with, as a result, poor financing conditions;
2. Lack of an automated infrastructure with mass processing capability (retail like) that provides low transaction costs and real-time visibility on the risk profile of SMEs (and their receivables, buyer relation) seeking financing.

In order to address these challenges the feasibility of a low-barrier model for receivables financing was assessed. This model leverages the invoice approval and payment status information from buyers. The information is exchanged between the ERP/invoicing solution of the buyer and the system of the SME supplier. With this status information the supplier is put in control of its own financing and will be able to obtain more favourable financing conditions, as receivable information is made more transparent for financiers. The proposed model is referred to as the ***Status Based Receivables Finance (SBRF) Model*** in the remainder of this document.

The next section puts forward the key research question addressed in this feasibility study and the research design that was applied.

2. RESEARCH QUESTION AND DESIGN

This feasibility study focuses on improving receivables finance propositions for SMEs, as opposed to buyer driven financing programs such as reverse factoring. Specifically, this study assessed whether the financeability of receivables could be improved through the standardized exchange of invoice status information between buyers and SME suppliers.

2.1 Research question

The underlying hypothesis for this study builds upon the increasing digitization of invoices by ERP solutions and e-invoicing service providers and the opportunities it provides for receivables finance in terms of optimized risk management practices.

Indeed, SME financing is locked in a cycle where an SME's limited financial transparency yields more stringent risk provisions and, subsequently, more finance application rejections. E-invoicing service provider and ERP/Accounting software vendors form an important pillar for SME financing as these parties provide an opportunity to establish more accurate SME risk

profiles through insight in statuses and payment behaviour. Creating the right environment and conditions under which these parties cooperate could benefit existing and new receivables financing propositions for SMEs and financiers. This resulted in the following research question that was addressed in this feasibility study:

> ***Research question:***
> *Does standardization of invoice status information and its exchange improve the financeability of receivables for SMEs and financiers?*

2.2 Research design

To answer the research questions a three-step approach was applied, as depicted in the figure below:

FIGURE 5: THREE-STEP APPROACH TO ANSWER THE RESEARCH QUESTION

Based on existing research and service offerings in the e-invoicing and financing domain a conceptual SBRF Model was developed in step 1. In the next step, the feasibility of this model and its underlying assumptions was assessed in practice through interviews with various industry actors operating in the e-invoicing and finance landscape. Interviewees included representatives from banks, asset-based finance and factoring companies, corporates, finance platforms, e-invoicing service providers, ERP/accounting software vendors and industry organizations representing SMEs in different industries. This way a balanced view on the model was ensured. Annex C includes a complete overview of the organizations interviewed in this feasibility study. The research was concluded by formulating conclusions and recommendations on how to proceed after this initial feasibility study of the SBRF Model.

The next section provides an answer to the key research question of this study and describes the SBRF model.

3. KEY ASPECTS OF THE STATUS BASED RECEIVABLES FINANCE MODEL

To address the problem impeding access to finance for longtail SME suppliers a SBRF model is being proposed that facilitates information symmetry between suppliers and financiers. Ultimately, the model should enable better availability and dissemination of risk information on receivables among actors that collaborate in a network, thereby effectively reducing the risks involved.

In return, this collaboration is expected to drive down operational costs for risk assessment by financiers, resulting in better (financial) conditions of receivable finance propositions such as faster processes (STP), more financing (lower 'haircut') and lower interest rates. In essence, SME can have easier access to more financing options. Integration with existing e-invoicing, ERP and accounting software to share, aggregate and propagate risk information on receivables is instrumental for this purpose.

3.1 Key design principles and benefits of the SBRF model

The SBRF model should be based on the following design principles:

1. **Scalable:** grounded in a 'four-corner model', not relying on a single central party (as many of today's three-party-based financing models), but rather on roles that can be fulfilled by different but interoperable market parties. This will result in effective competition and scalability.
2. **Inclusive towards actors**: provide access to different types of service providers in the e-invoicing and financing landscape operating on the market today. Enable businesses to select their own service provider (i.e. independent of the buyer).
3. **Match supply and demand**: enable suppliers to find financiers that are willing to finance their receivables, while allowing financiers to find suppliers who need financing that match their risk appetite. This requires that financiers have access to high-quality risk information on receivables
4. **Low barriers of use**: enable suppliers to select financing offers and close the financing deal from a single (web-based) dashboard (e.g. ERP software). This requires that suppliers and financiers engage in a contractual relation in a fully automated and intuitive manner. Automated onboarding and a suitable legal framework are instrumental for this purpose.

The standardization of invoice status information and its exchange between supplier and financier is a key element to meet these design principles.

> ***Key research outcome #1: Governance for trust in the SBRF model***
> A neutral multi-stakeholder governance of the operational, technical and legal standards will ensure trust and uniform implementation of the SBRF network model. Stakeholders need to be selected upon the decision to pursue its realization. The SBRF network should be 'cross border by nature'.

3.2 Standardization of invoice status information

Access to standardized information on invoice status is expected to enable financiers to engage in more automated and cost effective financing of SMEs as (1) insight in the 'quality' of receivables is improved, and (2) risk management practices are optimized.

As such the SBRF model builds on the extensive standards for electronic invoicing available today, such as UBL (Universal Business Language) and UN/CEFACT. SBRF uses the 'metadata' of the electronic invoice that is available in the administrative process of the buyer.

This standardized invoice status information of SBRF could include (not exhaustive):

Invoice status information	Description
1. Invoice approval and its 'level of assurance'	Refers to the buyer's approval of an invoice received from a supplier. Invoice approval is the result of a three way matching procedure by the buyer, with the aim of avoiding paying incorrect and perhaps fraudulent invoices. The invoice approval can represent different 'levels of assurance' (LoA): *Self-declared*, *Verified* and *Guaranteed* (see paragraph 3.3).
2. Information on the underlying trade	Refers to information on products and/or services supplied to a buyer that can be extracted from various trade documents (e.g. contractual agreement, purchase order, invoice)
3. Payment terms	Refers to the conditions under which a supplier will complete its sale. Typically, these terms specify the period allowed to a buyer to pay off the amount due.

The risk profile of the buyer and supplier could also be standardized as part of the SBRF model. The risk profile includes information on payment and dispute behaviour of a buyer and/or insight in quality of product/service delivery and reliability by suppliers.

The SBRF model caters for status information representing different levels of assurance. These different levels represent varying cost of capital charged by financiers to suppliers. This way the model caters for different services providers to participate in the model, their respective liabilities and added value for financiers. Financiers are able to choose from risk information that matches their risk appetite.

Key research outcome #2: Buyer invoice approval process is key

The invoice approval by the buyer is an essential step to start the flow of information in the SBRF model. The buyer will provide this approval via its regular administrative process (typically after three way matching). The incentive for large(r) buyers to cooperate and share the invoice approval status is more of a 'soft nature' (e.g. corporate social responsibility, CSR). Smal(ler) buyers will be more inclined to participate as they are SME suppliers themselves in other trading relationships (i.e. sense of reciprocity is stronger).

3.3 Invoice status information with varying levels of assurance

The table below includes a description of the three levels of assurance that are distinguished for standardized invoice status information.

Level of assurance	Description
1. Self-declared	*'buyer says he will pay'* Buyer approves invoice and communicates that the amount due will be paid at maturity
2. Verified	*'third party says buyer will pay'* Buyer approves invoice and communicates that the amount due will be paid at maturity. Third party (i.e. Status Broker) has a legal declaration that an invoice approval is made by a legally authorised representative of the buying organization.
3. Guaranteed	*'third party guarantees buyer will pay'* Buyer approves invoice and communicates that the amount due will be paid at maturity. Third party (i.e. Status Broker) provides payment guarantee as a means to eliminate credit risk for the financier.

Additionally a third party could provide the (behavioural) risk profile of the Buyer as a means to provide insight in credit risk ('can't pay scenario') for the financier.

Key research outcome #3: Invoice approval status can be 'self-declared' and evolve to higher levels of assurance

The 'assurance' of invoice approval can be as simple as a *'self-declaration'* by the buyer, because this already provides substantial improvement to today's situation where an invoice of an SME supplier is completely disconnected from the buyer's approval process. The support of invoice approvals by buyers with higher 'levels of assurance' (e.g. *'verified'*, *'guaranteed'*) could be considered at a later stage. This implies involvement of a third party in the buyer's approval process. This will require the set-up of an adequate legal framework governing relations (i.e. obligations and liabilities) between actors involved.

3.4 Increased risk transparency through standardization of invoice status information

Financiers establish the cost of financing based on a number of criteria. The *risk* involved in financing the supplier is a key driver for the cost of financing. This risk breaks down in various risk components (REF 4):

1. **Fraud risk:** risk that supplier seeks finance for a fake invoice with no actual trade underlying the trade transaction
2. **Dispute risk:** risk that invoice will be disputed by the Buyer due to incorrect invoice information
3. **Counterparty risk:** risk that supplier will be unable to pay back financier or that buyer will default on its payment obligation (i.e. non-payment)
4. **Performance risk:** risk that supplier's performance is not in line with expectations of buyer (i.e. 'can pay, but won't pay' scenario)
5. **Market risk:** risk due to movements in market prices
6. **Commodity risk:** fluctuations in the prices of commodities

In the proposed SBRF model specific risks are addressed through the standardized invoice status information that is made available to the financier (see also paragraph 3.2). Specifically, this information addresses the following risk components: Counterparty risk, Fraud risk and Dispute risk.

The three levels of assurance that the invoice status information can have address the risk components in differing degrees. This is further elaborated in the table below.

	Level of assurance invoice status information		
Risk component	**Self-declared**	**Verified**	**Guaranteed**
1. Fraud	✓	✓	✓
2. Dispute	✓	✓	✓
3. Counterparty	✗	✓	✓
Explanation	Financier - informed that invoice is real and that Buyer will pay - uncertain whether Buyer is really able to pay invoice on agreed due date - unaware of Counterparty (Buyer) risk profile, can take additional risk	Financier - informed that invoice is real and that authorized representative of the acting on behalf of the Buyer will pay - can assess risk involved, but still bears the risk of non-payment by Buyer - additionally, could	Financier - informed that invoice is real and that Buyer will pay - receives payment guarantee of Status Broker that bears the buyer credit risk - certain that financing amount will be paid back - unaware of

	mitigation measures(e.g. add rating agency)	receive data about risk profile of Counterparty (Supplier/Buyer) to assess risk - more certainty whether Buyer is able to really pay invoice on agreed due date	Counterparty risk profile, but Status Broker is

Key research outcome #4: Buyer risk assessment process could be enriched through invoice status information

The process for the assessment of a buyer's credit risk by the financier could be enriched through invoice status information. Financiers have the option to use third party rating agencies for this purpose. The SBRF model could provide additional data on, for example, buyer's historic payment behavior, which could be incorporated by these agencies or by the financiers directly as part of risk assessment.

3.5 Roles in the SBRF model

To reduce the information asymmetry gap impeding adequate access to finance for SMEs a real-time interplay is required between (a) Buyer, (b) Supplier and (c) Financier (i.e. primary roles). In order to facilitate this interaction enabling roles are defined: 'Status Broker', 'Status Aggregator' and 'Finance Exchange'. There are already parties operating on the market today fulfilling these roles in an isolated, 'silo-ed' approach. The proposed SBRF model leverages the capabilities of existing service providers.

A schematic representation of the envisioned SBRF Model is summarized in figure 6. The figure depicts the complete flow from the invoice status of the buyer to the financier of the SME supplier.

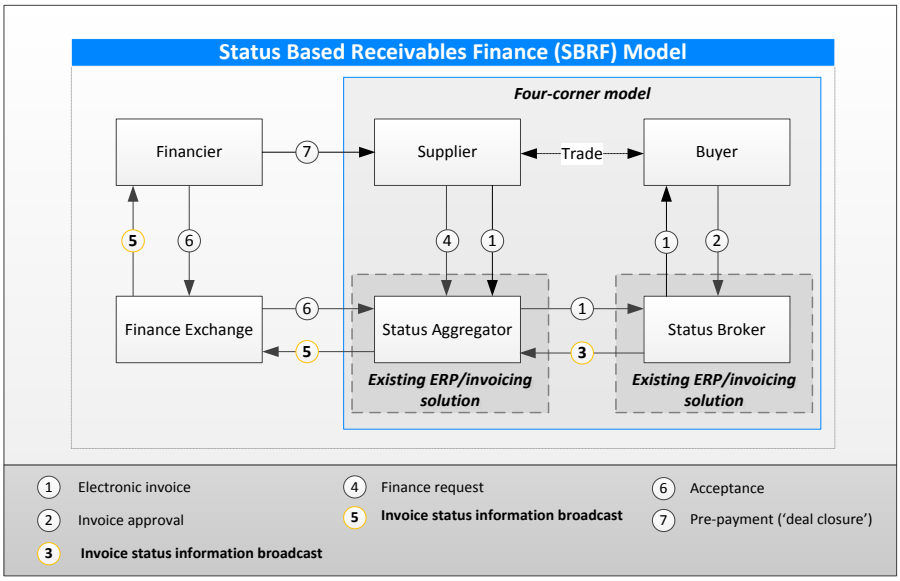


Figure 6: ROLES AND FLOWS IN THE STATUS BASED RECEIVABLES FINANCE (SBRF) MODEL. SOURCE: INNOPAY, 2014

The financing is initiated by the SME supplier via 'one-click' (or automated) in its ERP software or invoicing solution. The supplier has the option to use a finance exchange or to send its finance request directly to a selected financier (e.g. own bank). The SBRF model is 'inclusive', meaning that both existing and new service providers are able to fulfil one or more roles as defined in the model. The SBRF model distinguishes the following roles:

Role	Description
Supplier	Supplies goods to a buyer and sends the buyer an invoice via its invoicing solution. Selects invoices for which it requires financing and sends finance request to Status Aggregator.
Buyer	Receives the goods and sends (after internal three way matching) the invoice approval to Status Broker.
Status Broker	Receives approved invoices from the Buyer. Depending on the added value of the Status Broker the invoice status information can represent different levels of assurance and, thus, also varying risk associated with the receivable(s). The Status Broker could be a bank or non-bank service provider. An example of the latter could be an e-invoicing service provider seeking to enrich its portfolio. Multiple Status Brokers compete in the model, each offering unique value propositions to Buyers.
Status Aggregator	Receives finance requests from Supplier and enables access to finance on selected individual invoices or a batch of invoices. The Status Aggregator could be an existing platform provider currently focusing on providing (SME) financing, an ERP or Accounting software vendor or an e-invoicing service provider with a financing proposition. Multiple Status Aggregators compete in the model, each offering unique value propositions to Suppliers.
Finance Exchange	Enables groups of Financiers to 'discover' finance requests that match their risk appetite and to respond to such requests. Finance requests are broadcasted to the Finance Exchange in high volume by the status aggregator. The Finance Exchange supports Financiers to select the finance requests that are relevant for them based on set criteria (e.g. industry, product, geography, transaction amount). This role could be fulfilled by existing marketplaces, or new parties seeking to enter the financing landscape. There are more Finance Exchanges in the model, each offering their unique value proposition to Financiers.
Financier	Inclusive towards all types of parties offering financing options. This includes banks and non-bank parties (e.g. receivables financiers, asset lenders, peer-to peer lending clubs, trade financiers, private investment companies, commercial debt funds, pension & hedge funds and businesses with excess cash).

Key research outcome #5: Benefits are recognized, but need to be quantified

The improvement of financeability is found in better risk management and transparency for financiers (less defaults), straight through processing (STP) for the whole chain (lower cost to serve) and more financing options for the SME (lower financing cost). The quantification of benefits for each of the six stakeholders in the SBRF model, i.e. buyer, supplier, financier, finance exchange, status broker and status aggregator needs to be assessed in the next phase as part of the final 'go / no go' decision.

3.6 Information exchange in the SBRF model

The invoice status is part of a seven-step process the (SME) supplier, buyer and (alternative) financier are engaged in and serves as a basis for financing. This process is shown in figure 7.

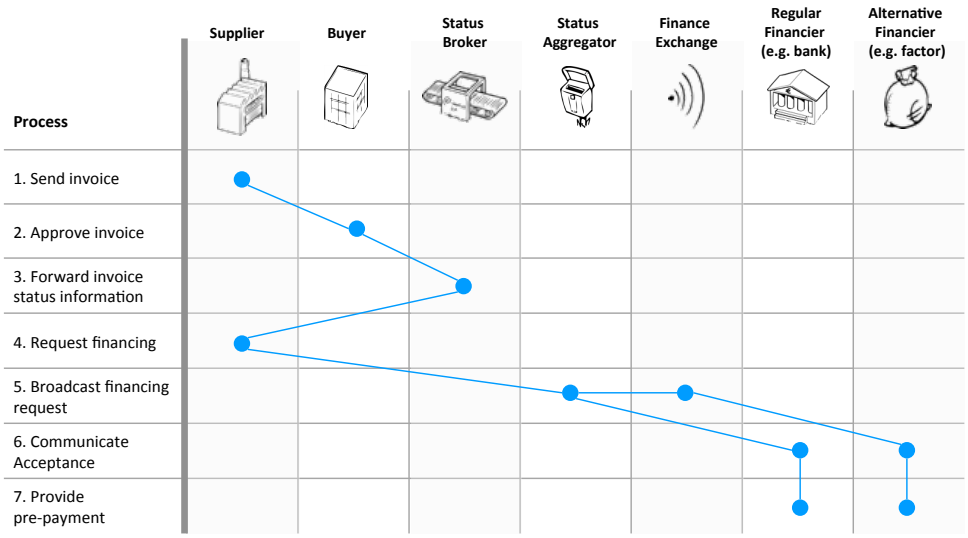


FIGURE 7: THE INVOICING AND FINANCE PROCESS. SOURCE: INNOPAY, 2014

The (information) flows in the SBRF model are elaborated in the table below.

Information flow	Description
Flow 1	Supplier sends an e-invoice to the buyer through their respective service providers. The supplier chooses a Status Aggregator that provides access to finance. This could be an integral service offering of the existing e-invoicing service provider or ERP/Accounting software vendor.
Flow 2	Buyer processes the invoice internally (three way matching) and communicates the invoice approval to the Status Broker
Flow 3	Status Broker forwards the invoice status information to the Status Aggregator of the Supplier. Invoice status information could be enriched by the Status Broker by composing and communicating the Buyer risk profile. Alternatively, the Status Aggregator could develop a risk profile of the Buyer based on historical (payment) behaviour or data sourced from 3rd party attribute providers.
Flow 4	Supplier sends a finance request for a specific invoice or batch of invoices to the Status Aggregator
Flow 5	Status Aggregator forwards this request to all Finance exchanges in the network. Additionally, the Status Aggregator could enrich this request with the Buyer and/or Supplier risk profile, based on available risk information. The Finance Exchanges match the risk profile of the finance request with the risk appetites of Financiers and forward the finance requests to the appropriate parties
Flow 6	Financier accepts a specific finance request against agreed conditions and communicates the Acceptance to the Supplier via the Finance Exchange and Status Aggregator. Based on the finance responses received, the Supplier may choose one of the offers received against the criteria that exactly fit the specified conditions
Flow 7	Financier and Supplier enter into a contractual financing agreement, for a specific invoice, a batch of invoices or for a long-term financing relationship. The deal is closed by a pre-payment of the invoice (or batch) by the Financier to the supplier

4. COLLABORATIVE STANDARDIZATION FUNDAMENTAL FOR REALIZATION OF SBRF MODEL

The SBRF Model could be achieved through 'collaborative innovation' between leading actors in the e-invoicing and financing landscape. This has proven to be a crucial concept for 'two sided markets' such as payments, digital identity and invoicing. The process of collaborative innovation starts with developing a common understanding that a highly fragmented market does not provide the necessary conditions to develop compelling value propositions for buyers and suppliers and, thus, impedes mass adoption.

4.1 Cooperative vs competitive domain

In 'collaborative innovation', actors seek to define a 'cooperative domain' and a 'competitive domain'. The cooperative domain entails collaboration between actors, which creates the necessary conditions for effective competition among actors in the competitive domain. The conditions of the cooperative domain are established through a set of agreements on three components: *Governance*, *Application* and *Infrastructure*. This is depicted in figure 8. Note that no agreements are made on the actual products and services and relating value propositions to end customers, as this is part of the competitive domain.

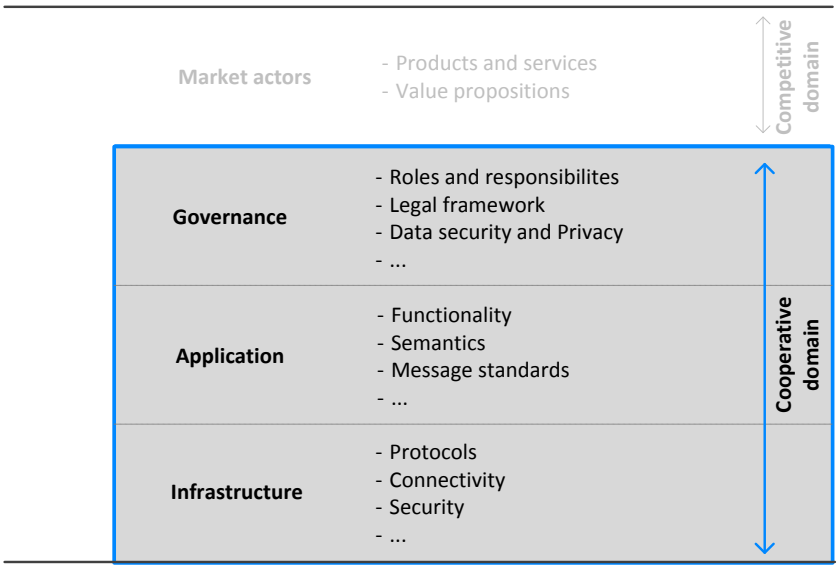


FIGURE 8: COMPONENTS OF THE COOPERATIVE DOMAIN. SOURCE: INNOPAY, 2014

These components address various essential topics, including roles and responsibilities of actors involved, legal framework governing the relations, governance structure, customer journey, business requirements, message standards, technical infrastructure for communication and security concepts. In the payments industry, such a 'standardized' cooperative domain is typically known as a 'scheme', of which the card schemes (e.g. MasterCard, VISA) are the best known examples.

4.2 Mobilize market actors to define cooperative domain

For the SBRF model to be realized, actors need to start cooperating in the area of e-invoicing, creating an infrastructure for the exchange of all types of invoices (XML and PDFs) between businesses of all sizes. Based on this infrastructure, invoice status information can be exchanged securely, while financiers can be facilitated in offering high-frequency financing services to suppliers as risk management procedures are optimized.

Mobilizing a critical mass of actors is vital to achieve the collaborative domain. The actors need to be 'mentally ready' along the following lines:

1. A fragmented market impedes mass adoption, because many bilateral connections need to be created and maintained
2. Collaboration will enable competition among actors based on compelling, value-added services for buyers and suppliers and will thereby increase the market exponentially
3. Having a small share of a large market is more attractive than a large share of a small market

Only with this mind-set will actors be able to engage in a collaborative development project leading to a networked infrastructure necessary for the realization of the proposed SBRF model.

The Simplerinvoicing network supported by the Ministry of Economic Affairs is a secure and reliable messaging network that could function as the basis for standardized exchange of invoices status information. There are already service providers active in this network that can fulfil one or more enabling roles as envisioned in the SBRF model. This will be further explained in the next section.

5. SIMPLERINVOICING: POTENTIAL BUILDING BLOCK OF THE SBRF MODEL

Given its established network, governance and secure operations Simplerinvoicing could function as the basis for the exchange of standardized invoice status information in the SBRF model. There is an opportunity to leverage the existing, low-barrier infrastructure and service provider capabilities in the Simplerinvoicing network and extend it with receivables financing capabilities of market actors that are willing to offer such services.

Although Simplerinvoicing provides a pragmatic approach to kick-start the SBRF model, it is recommended to design the model in such a way that it is not solely enabled through the Simplerinvoicing network. Put simply, the application of the SBRF model should also be possible in other low-barrier eco-systems, e.g. Finvoice (Finland), Zoomit (Belgium) and VeR (e-Invoice Alliance Germany) as well as with existing large platform players in the financing marketplace (e.g. Basware and Tradeshift).

5.1 Simplerinvoicing is an inclusive standard for invoice exchange

The Simplerinvoicing network is based on a standard for the exchange of invoices between a buyer and a supplier, via their own software (e.g. ERP system, accounting software and E-invoicing providers) in a four-corner model. The standard is inclusive, covering the requirements of SME, Corporate, Governments, their respective invoice flows and service providers.

Simplerinvoicing defines the standard on the three components of standardization (see section 4):

- Transport infrastructure for secure transport of business documents over the internet;
- Standard for the invoice Business Document in structured format (UBL);
- Trust framework that ensures mutual trust between the invoice sender (supplier), receiver (buyer) and their Service Providers.

Some of the Simplerinvoicing participants already offer financing services to their clients. However, this requires buyer and supplier to be onboarded on the same platform (i.e. 3-corner

model). Collaboration on these financing services within Simplerinvoicing (i.e. four corner model) will increase reach and scalability of these services.

5.2 Simplerinvoicing could be relevant building block to kick-start SBRF model

The Simplerinvoicing network provides a number of components and capabilities that can be re-used in the SBRF model:

1. Simplerinvoicing already has a **network of existing e-invoicing service providers, ERP and accounting software vendors.** These actors play a crucial role in the functioning of the SBRF model and have obtained knowledge about invoice processing in a four-corner model. By leveraging the Simplerinvoicing network, the barrier to join is significantly lower for these parties, as they are enabled to monetize their investment even further.
2. Many parties in the Simplerinvoicing network **already offer financing solutions** often with financing partners (e.g. banks). However, these solutions only operate in a 3-corner model, requiring both buyer and supplier to be on the same platform. There is an opportunity for these parties to increase the addressable market for financing, as they realized in the area of e-invoicing through Simplerinvoicing.
3. Simplerinvoicing offers a **low-barrier transport infrastructure** that enables parties in the network to exchange business documents in a secure and reliable way, guaranteeing the authenticity of the involved parties. The network is a crucial element in the trust framework. This network is based on a multilateral model: parties joining can interact with all other parties, without additional bilateral agreements.
4. Simplerinvoicing defines a **standard for the e-invoice** based on a European standard (UBL) and a process for exchanging this document (message choreography). Reusing the semantic model used in Simplerinvoicing ensures that the meaning of data in an invoice is the same as the meaning of that data in the invoice status information.

5.3 How these components fit in the SBRF model

By extending the Simplerinvoicing network, existing Simplerinvoicing Participants can fulfil the different roles in the SBRF model. This is illustrated in figure 9.

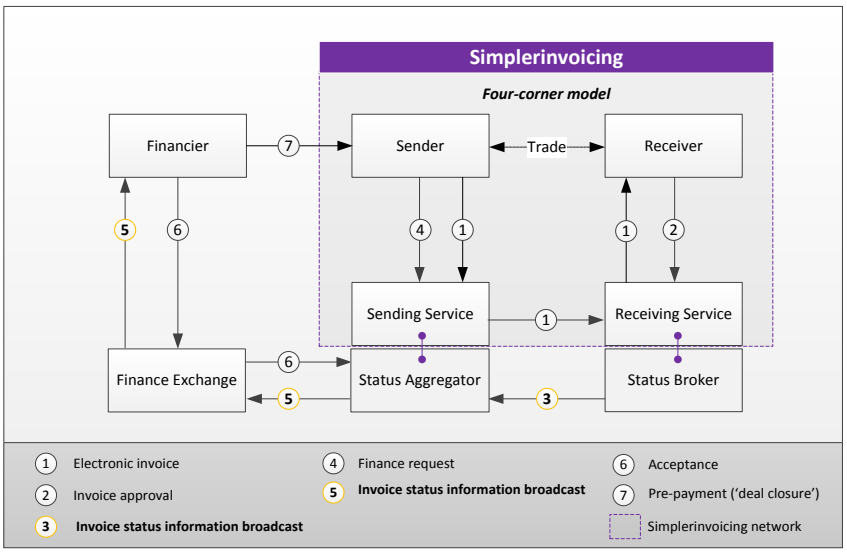


FIGURE 9: SIMPLERINVOICING AS A POTENTIAL BUILDING BLOCK FOR THE SBRF MODEL. SOURCE: INNOPAY, 2014

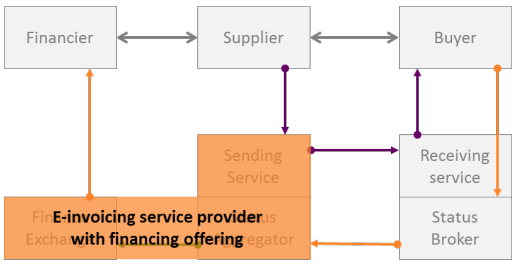
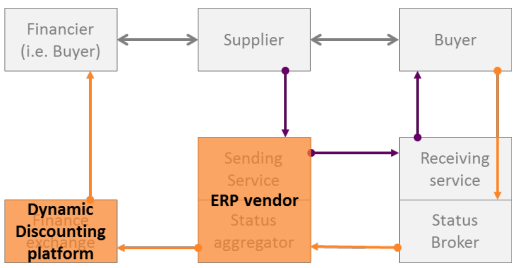
The Service Providers operating in the Simplerinvoicing network willing to participate in the SBRF model need to fulfil their respective roles in the model.

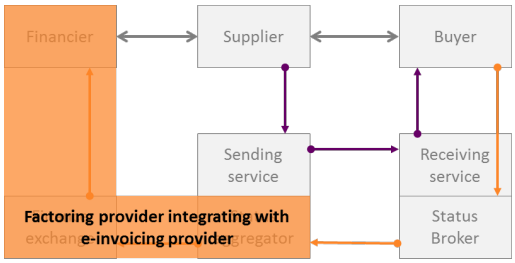
SBRF model role	Simplerinvoicing network role
Status Broker	**Receiving Service:** obtain invoice status information from the Receiver and forward this to the Sending Service. Additionally, create risk profile of buyer and potentially even provide payment guarantee to cater for higher levels of assurance of invoice status information. Please note that the latter functionality will be part of a future functionality roadmap, gradually evolving towards the support of such features.
Status Aggregator	**Sending Service:** present the status information to the Sender of the invoice. Needs to interact with a Financier or a Finance Exchange to broadcast the invoice status information including any other available, standardized risk information (i.e. buyer/supplier risk profile). The Sending Service can either be an ERP software vendor or service provider offering the finance capabilities themselves or through a partnership. The latter is the most logical way forward given the fact that some Simplerinvoicing participants already have partnerships in place to fulfil this role (e.g. Invoicesharing and Flinqer partnership).
Finance Exchange	No equivalent role in the Simplerinvoicing network. However, this role is today often fulfilled by the same party as the Status Broker and can be combined in the network.

In these roles, Service Providers can re-use their Simplerinvoicing connectivity to communicate the invoice status information in a reliable, confidential and secure manner.

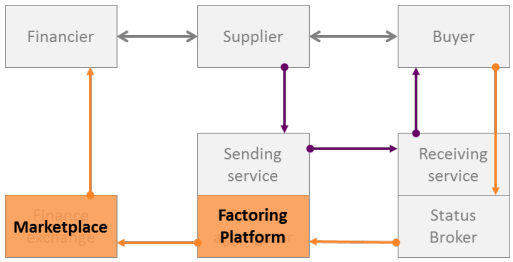
5.4 Example use-cases that are enabled through Simplerinvoicing

By using the Simplerinvoicing network as an engine for the SBRF model the following use-cases are enabled. The orange shaded roles can be fulfilled by a limited number of market actors during a potential pilot of the SBRF model. The uses cases are elaborated in the table below.

Use case	Description
	An SME using his e-invoicing platform (e.g. Invoice Sharing or Tradeshift) to send a receivables finance request to one or more financiers to obtain a financing offer. The e-invoicing platform can also finance invoices sent to buyers that are not onboarded on own platform.
	An SME using a Dynamic Discounting platform (e.g. Flinqer) to obtain an early payment discount from one of its buyers that is not onboarded on the platform. Based on the invoice status information that is provided by the Buyer through the Simplerinvoicing network a finance request can be initiated.



An SME using a Receivables Finance platform (e.g. Trefi) to obtain finance. The Receivables Finance platform is able to better assess fraud risk by leveraging the available invoice status information.



An SME using his Receivable Finance platform (e.g. Trefi) to obtain finance from financiers connected through another finance exchange (e.g. ReceivablesExchange).

The Receivable Finance Platform is able to offer finance by external financiers not onboarded on the Factoring Platform but onboarded by e.g. a Finance Market place.

Many other use-cases are possible through such the Simplerinvoicing network depending on the business model of the parties involved.

6. CUSTOMER JOURNEY: SME REQUESTS FINANCE USING OWN E-INVOICING SOFTWARE

An SME company Supplier A specialized in bathroom construction is contracted by a large contractor Buyer B to develop the bathrooms in a newly constructed hotel site. The Supplier A uses AccountingOnline as his accounting software and AccountingOnline integrates with LendingPlace, a platform selling invoices to interested financiers. Buyer B uses Basware as a Service Provider for receiving e-invoices.

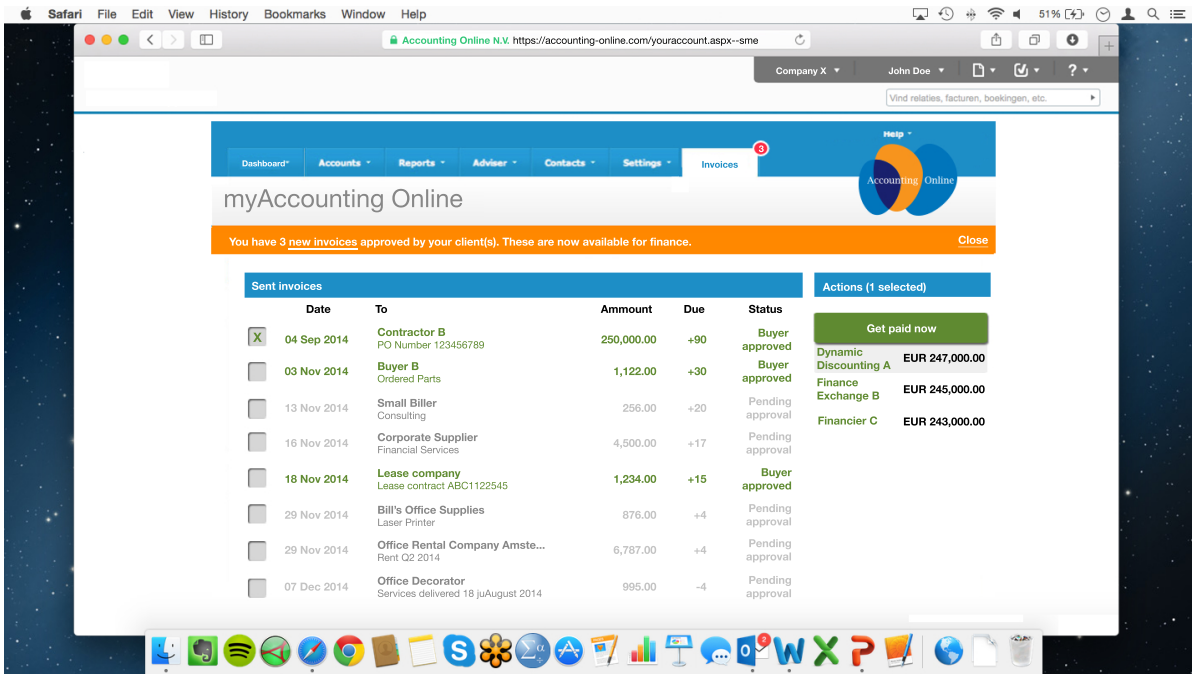


FIGURE 10: SME DASHBOARD IN EXISTING ERP/ACCOUNT SOFTWARE ENABLING ONE-CLICK FINANCE. SOURCE: INNOPAY, 2014

The figure above depicts the customer journey of an SME supplier that seeks financing via the SBRF model. The table below elaborates on the consecutive steps that need to be taken by the actors involved in the SBRF model.

Step	Description
0	Supplier A engages in the contract with Buyer B to deliver the agreed work, and agrees to send the invoice before the start date of its work. The contract specifies a 90 days payment term after the work has started. It is agreed that the work will be invoiced in five phases. Each invoice for the next phase will be sent if the previous phase is finished. The start of a new phase will be confirmed by a Purchase Order from Buyer B to Supplier A containing a unique Purchase Order (PO) reference.
1	Supplier A compiles an invoice for the first period for the work to be executed based on the estimated work and material used in the first phase, with a total of EUR 70.000 ex VAT. Supplier A sends the Invoice from his AccountingOnline environment using Simplerinvoicing.
2	AccountingOnline compiles the UBL Invoice and sends this via the Simplerinvoicing connection to Basware.
3	Basware inserts the invoice into the workflow software of Buyer B and automatically routes the invoice to the procurement department of the Buyer.
4	The Procurement department matches the invoice against the PO using the reference and approves the invoice for payment in 90 days.
5	The invoice approval is sent to Basware which forwards the approval to the AccountingOnline environment of the Supplier. AccountingOnline notifies the Supplier of the approved invoice.
6	The Supplier logs on into the web based AccountingOnline environment and sees the invoice approval. AccountingOnline enables the Supplier A to select the invoice and request financing in realtime with the Financier.
7	AccountingOnline will forward the invoice status information to the connected financiers. These can either be directly connected financiers, dynamic discounting providers or invoice marketplaces.
8	The Financiers process the Finance Request and based on their risk appetite provide an offer for financing the specific invoice.
9	AccountingOnline displays the various offerings of the financiers and allows Supplier A to select the preferred offer (see figure 10).
10	Supplier A enters in a financing agreement with the selected financier. The exact user experience of this step depends strongly on the model used by the Financier. This can be facilitated by redirecting Supplier A to the Financier Website where all information is pre-filled and Supplier A can confirm the required financing.

Before using the above service, supplier A has been set up (‘onboarded’) for SBRF services with his Accounting Online software and the finance exchange.

7. CONCLUSIONS AND RECOMMENDATIONS FOR THE NEXT PHASE

SME financing is locked in a cycle where an SME's limited financial transparency yields more stringent risk provisions and, subsequently, more finance application rejections. This feasibility study focused on breaking this cycle by improving receivables finance propositions for SMEs and financiers. Specifically this study assessed whether the financeability of receivables could be improved through standardization and exchange of invoice status information.

The underlying hypothesis for this study builds upon the increasing digitization and exchange of invoices by ERP solutions and e-invoicing providers. E-invoicing enables efficient use of metadata, e.g. invoice status, in the financing process.

The research results indicate that the exchange of standardized invoice status information could improve the financeability of receivables for SMEs and financiers when the SBRF model is designed, implemented and governed in an adequate manner.

7.1 Conclusions

The main conclusions that could be drawn from this feasibility study are:

1. Governance for trust in the SBRF model

A neutral multi-stakeholder governance of the operational, technical and legal standards will ensure appropriate trust and uniform implementation of the SBRF network model. Stakeholders need to be selected upon the decision to pursue its realization. The SBRF network should be 'cross border by nature'.

2. Buyer invoice approval process is key

The invoice approval by the buyer is an essential step to start the flow of information in the SBRF model. The buyer will provide this approval via its regular administrative process (typically after three way matching). The incentive for large(r) buyers to cooperate and share the invoice approval status is more of a 'soft nature' (e.g. corporate social responsibility, CSR). Smal(ler) buyers will be more inclined to participate as they are SME suppliers themselves in other trading relationships (i.e. sense of reciprocity is stronger).

3. Invoice approval status can be 'self-declared' and evolve to higher levels of assurance

The 'assurance' of invoice approval can be as simple as a *'self-declaration'* by the buyer, because this already provides substantial improvement to today's situation where an invoice of an SME supplier is completely disconnected from the buyer's approval process. The support of invoice approvals by buyers with higher 'levels of assurance' (e.g. *'verified'*, *'guaranteed'*) could be considered at a later stage. This implies involvement of a third party in the buyer's approval process. This will require the set-up of an adequate legal framework governing relations (i.e. obligations and liabilities) between actors involved.

4. Buyer risk assessment process could be enriched through invoice status information

The process for the assessment of a buyer's credit risk by the financier could be enriched through invoice status information. Financiers have the option to use third party rating agencies for this purpose. The SBRF model could provide additional data on, for example, buyer's historic payment behaviour, which could be incorporated by these agencies or by the financiers directly as part of risk assessment.

5. Benefits are recognized, but need to be quantified

The improvement of financeability is found in better risk management and transparency for financiers (less defaults), straight through processing (STP) for the whole chain (lower cost to serve) and more financing options for the SME (lower financing cost). The quantification of benefits for each of the six stakeholders in the SBRF model, i.e. buyer, supplier, financier, finance exchange, status broker and status aggregator needs to be assessed in the next phase as part of the final 'go / no go' decision.

The SBRF model has been a promise for many years. With the advance in digital technologies for invoicing, payment and risk assessment techniques and the tight market conditions, the timing seems right to bring receivables financing practices to the next level.

7.2 Recommendations for the next phase: scoping and forming the launching coalition

In order to advance the promising and feasible SBRF model a phased approach is needed with clear 'go / no go' decisions during the process. This approach is visualized in figure 11.

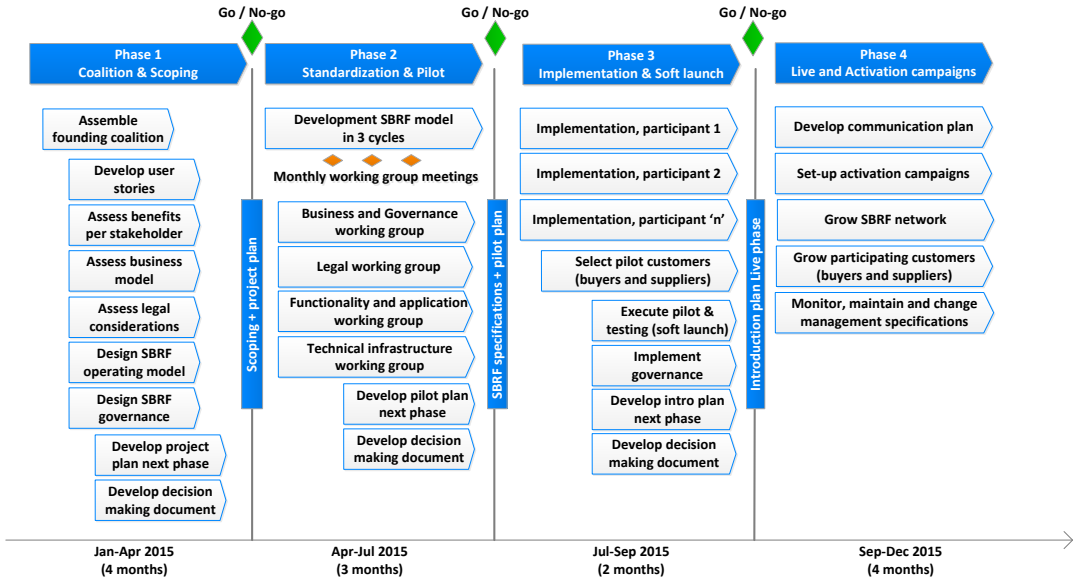


FIGURE 11: PLANNING AND ACTIVITIES FOR THE DEVELOPMENT OF SBRF MODEL. SOURCE: INNOPAY, 2014

From this initial feasibility study up to the live operation of the model four phases are foreseen as described in the table below.

Phase	Description
1. Coalition forming & Scoping (duration: 4 months)	• Develop 'coalition of the willing' that share design principles of the SBRF model and that are willing to explore the opportunity of developing the model (ERP/invoice provider (supply side) and financiers (demand side) should be represented). Specifically, target existing market actors willing to fulfil role of Status Aggregator, Status Broker, Finance exchange and Financier or combination of these (cf. use cases in section 5). • Conduct impact assessment on use of Simplerinvoicing as a potential launching operating model for SBRF • Assess and quantify (where applicable) stakeholder benefits, including buyers, supplier, status broker, status aggregator, finance exchange and financier • Assess business model considerations for roles in the SBRF model

	• Determine functionality scope of the SBRF model through user stories (per role, cf. use cases section 5) resulting in functional requirements for a minimum viable product and future roadmap • Develop insight in legal considerations of the model, i.e. legal implications of invoice status information and standardized legal contract between financier and supplier that enables 'one-click finance' • Set-up project governance, consisting of a project board reporting to the SBRF steering group • Develop scoping document and project plan for the next phase to facilitate go/no-go decision making by the SBRF steering group
2. Standardization & Pilot execution (duration: 3 months)	• Develop SBRF model in three cycles through monthly working group meetings • Set-up working groups representing components of the cooperative domain (see section 4): - Business & governance - Legal - Functionality & application - Technical infrastructure • Develop SBRF specifications and pilot plan for the next phase to facilitate go/no-go decision making by the SBRF steering group
3. Implementation & Soft launch (duration: 2 months)	• Start technical implementation by coalition participants • Select pilot customers (buyers and suppliers) willing to take part in the SBRF model • Define test cases and execute pilot (soft launch) and use outcomes to further improve implementation by participants • Implement formal governance organization • Develop introduction plan for the Live phase to facilitate go/no-go decision making by the SBRF steering group
4. Live & Activation campaigns (duration: 4 months)	• Develop communication plan defining strategy of how to engage and inform stakeholders on the working of the SBRF model • Set-up activation campaigns to - Persuade buyers and suppliers to participate in the SBRF model - Grow number of service providers in the SBRF model increasing reach and adoption • Organize monitoring, maintenance and change management of SBRF specifications and standards

The activities of phase 1 are crucial in order to take an informed go / no go decision regarding the actual development of the SBRF model and subsequently a pilot of the model on the short term (i.e. in 2015).

ANNEX A – GLOSSARY OF TERMS

Asset Based Finance: A specialized method of providing structured working capital and term loans that are secured by accounts receivable, inventory, machinery, equipment and/or real estate.

Corporate Social Responsibility: Corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to company efforts that go beyond what may be required by regulators or environmental protection groups.

Enterprise Resource Planning: A process by which a company manages and integrates the important parts of its business. An ERP management information system integrates areas such as planning, purchasing, inventory, sales, marketing, finance, human resources, etc.

Financier: All types of providers offering financing options: banks (cf. reverse factoring) and non-bank parties (e.g. invoice financiers, asset lenders, peer-to-peer lending clubs, trade financiers, private investment companies, commercial debt funds, companies with excess cash).

Four corner model: Refers to a model in which a supplier can select its own service provider, independent of the buyer and independent of the financier. This model does not force suppliers into specific buyer-driven solutions, cf. reverse factoring.

Invoice meta-data: Refers to all relevant (invoice) data defining the 'quality of an invoice', e.g. invoice status information (received, accepted, processed, scheduled for payment, payment due date on day x), assurance of the data, information about underlying trade, contractual agreements between buyer and supplier (regarding invoices and financing thereof).

Level of Assurance: Refers to the varying 'quality' that invoice status information can represent. Three levels of assurance are distinguished: *1) Self-declared, 2) Verified, 3) Guaranteed.* These levels address different risk components involved in financing.

Reverse factoring: With reverse factoring, a (large) buyer set ups the financing program and enables its strategic suppliers to gain attractive funding based on the buyer's (better) creditworthiness. This means that the supplier is paid earlier at a discount, while the buyer typically extends the payment date of the invoice. The bank funds the program and receives a spread without much risk, since the creditworthy buyer backs the invoices.

Scheme: Refers to the 'cooperative domain' of collaborative innovation projects, which entails cooperation between actors that create the necessary conditions for effective competition among actors in the 'competitive domain'. The conditions of the cooperative domain are established through a set of agreements on three components: *1)*

	Governance, 2) Application and 3) Infrastructure). This set of agreements organizes interoperability between participants of the scheme, who need to comply with the rules that are defined in the Scheme.
Small/Medium Sized Enterprise	Defined by number of employees and either turnover or balance sheet total. Refers to all companies with less than 250 employees and €50 M turnover ***or*** €43 M balance sheet total.
Standardization:	Refers to standardization of invoice status information (meta-data) and puts providers/users of this data in a legal and trusted business relation with each other. Standardization can refer to different (technical) components that together make up the set of agreements pertaining to a Scheme.
Status Based Receivables Finance	refers to financing based on the actual invoice status information of the buyer. This status can take three levels of assurance: *1) Self-declared, 2) verified, 3) guaranteed.* These address the risks involved in differing degrees for financiers.
Straight Through Processing:	An initiative used by companies in the financial world to optimize the speed at which transactions are processed. This is performed by allowing information that has been electronically entered to be transferred from one party to another in the process without manually re-entering the same pieces of information repeatedly over the entire sequence of events.
Supply Chain Finance:	Sometimes refers to an umbrella term for a whole range of financial instruments and sometimes denotes a specific technique or component of the SCF portfolio, i.e. reverse factoring.
Universal Business Language:	a library of standard electronic XML business documents such as purchase orders and invoices. UBL was developed by an OASIS technical Committee with participation from a variety of industry data standards organizations. UBL is designed to plug directly into existing business, legal, auditing, and records management practices. It is designed to eliminate the re-keying of data in existing fax- and paper-based business correspondence and provide an entry point into electronic commerce for SMEs.

ANNEX B – LIST OF ACRONYMS

(See Annex A for explanation)

ABF	*Asset Based Finance*
CSR	*Corporate Social Responsibility*
ERP	*Enterprise Resource Planning*
LoA	*Level of Assurance*
SBRF	*Status Based Receivables Finance*
SCF	*Supply Chain Finance*
SME	*Small and Medium Sized Enterprise*
STP	*Straight Through Processing*
UBL	*Universal Business Language*

ANNEX C – INTERVIEW LIST

#	Name	Company	Category
1	Alfred Botterhuis	ABN AMRO	Bank
2	Peter de Koning	ABN AMRO	Bank
3	Rutger van Rossum	Deutsche Bank	Bank
4	Frans de Jong	Deutsche Bank	Bank
5	Suzan van Toorn	Deutsche Bank	Bank
6	Jan Jaap Atema	ING Bank	Bank
7	Wouter Sleegers	Rabobank	Bank
8	Simon Ampts	Rabobank	Bank
9	Bas van Maren	Superunie	Buyer
10	Guus Slik	Superunie	Buyer
11	Robert Bogaardt	Randstad	Buyer
12	Reinier Weerman	Flinqer	Dynamic discounting/SCF platform
13	Bram Kuijper	Basware	E-invoicing service provider/platform
14	Johan Schaeffer	eVerbinding	E-invoicing service provider/platform
15	Jeroen Volk	Invoicesharing	E-invoicing service provider/platform
16	Michael Swarte	Tradeshift	E-invoicing service provider/platforms
17	Lars Rolf Jacobsen	Tradeshift	E-invoicing service provider/platforms
18	Arnoud Kuipers	Factoringvergelijken.nl	Factoring exchange
19	Rob Wolthuis	MKB Nederland / VNO NCW	Industry association
20	Maryse Tjoeng	EVO	Industry association
21	Johann Roddeman,	Nevi	Industry association
22	Christiaan van Luik	TLN	Industry association
23	Rob Grimberg	TREFI	Receivables financing platform
24	Michael Henke	Fraunhofer IML	Research institute (logistics)
25	Thomas de With	Groot Helpt Klein	SCF Initiative
26	Phillip Kerle	Demica	SCF / Platform Provider
27	Jaap Remijn	ProQuidity	SCF / Platform Provider

In addition, executed a dedicated workshop/session with 1) Dutch banks (reverse factoring & commercial finance) and 2) finance professionals (with various backgrounds, e.g. (reverse) factoring, asset based finance, commercial finance).

ANNEX D – REFERENCE LIST

1. OECD Economic Outlook, 2014
2. Basel III and SME Financing, 2011
3. Late Payments Directive, 2011
4. *'Without intervention, small and medium-sized enterprises (SMEs) will not benefit from the growing supply chain financing options in the Netherlands in the short term'*. M3 and Zanders report (executed on behalf of the Dutch ministry of Economic Affairs), 2014 (available upon request)