Unlock the Future of Supply Chain Finance:

Join SFNet's December Conference for Key Insights and Networking

BY MICHELE OCEJO

On December 3, SFNet will host its first Supply Chain Conference, at Greenberg Traurig in New York City. Industry leaders and experts will converge to explore the latest trends and insights in supply chain finance. This full-day event will provide invaluable knowledge and networking opportunities, featuring a diverse range of sessions designed to deepen your understanding of the supply chain finance ecosystem

Bob Grbic of White Oak Commercial Finance and Paul Schuldiner of Rosenthal & Rosenthal are co-chairs of the event planning committee. "The growth of supply chain finance, both in the U.S. and globally, in terms of funds employed and products, warrants discussion. The underlying premise of the SFNet Supply Chain Conference, the financing of receivables on a non-recourse basis, is the core of factoring and provides new opportunities for our members," said Grbic.

Schuldiner commented, "The timing of the Conference is perfect as we have witnessed first-hand how inter-connected the world of international trade is especially during COVID and its aftermath. Businesses are looking for more efficient working capital solutions that better facilitate cross-border trade. This is especially evident in the lower middle market which may not be able to access supply chain finance tools that were once only available to larger companies."

Schuldiner and Grbic explained the Conference is aimed at any working capital lender who finances international trade, as well as attorneys, CPAs and logistics providers. "In order to better serve your customers, knowledge of using supply chain finance in all of its various forms should be top of mind if you are engaged in providing solutions," said Schuldiner.

The program* will include two keynote speakers: Matt Colyar, economist at Moody's Analytics, and Dan North of Allianz who will share his expertise and perspectives on the evolving landscape of supply chain finance.

What Makes Up This Ecosystem of Supply Chain Finance? will delve into the fundamentals of supply chain finance, including its definition and how it contrasts with offshore asset-based lending (ABL).

This panel will be followed by Forms of Supply Chain Finance, exploring the types of supply chain finance, from trade payables finance (reverse factoring) to in-transit inventory financing and purchase order finance.

The afternoon panels will begin with Key Elements in Assessing and Monitoring Buyer Credit Risk. Panelists will discuss the crucial elements in assessing buyer credit risk, including the use of multiple financing channels and the importance of timely reporting.

Next up, panelists will focus on the capital markets, delving into the various sources of funding, including banks, non-bank entities, exchange marketplaces, and intermediary conduits.

Legal issues will be spotlighted at 3:00 with a focus on navigating the complexities of legal documentation and risk management in supply chain finance. This session will cover key topics such as jurisdiction, covenants, bankruptcy risks, and the process of exiting a supply chain finance relationship.

The day will conclude with a networking reception, providing an excellent opportunity to connect with peers, discuss key takeaways, and forge new business relationships.

Schuldiner explained why he wanted to devote time to planning this event: "I am passionate about international trade and its future as it relates to secured lending. I am excited to see what new products and technologies become integrated into the working capital finance world."

Grbic's role as SFNet Factoring Committee chair inspired his involvement: "As the current chairman of the SFNet's Factoring Committee it was an easy decision give SFC's underlying connection to factoring. Afterall, supply chain finance is often referred to as 'reverse factoring'."

Visit www.sfnet.com for updates and to register for the Conference.

*Agenda is subject to change.

Interview with Matt Colyar

Matt Colyar is an economist at Moody's Analytics. His work is primarily focused on the labor market and monetary policy in the U.S. He also covers the economies of Pennsylvania and several U.S. metro areas. Prior to joining Moody's Analytics, Matt worked at the World Bank, focusing on private-sector development in South Asia, and in private industry as a financial analyst. He received his master's degree in applied economics from Lehigh University and his bachelor's degree in business administration from West Chester University. Matt is a regular contributor to the Moody's Talks - Inside Economics podcast.

What risks do geopolitical threats pose to the functioning of global supply-chains?

First, there are the violent clashes that disrupt trade by damaging cargo, forcing operators to take less efficient routes to avoid conflict. This, of course, also significantly increases insurance costs. Second, is that geopolitical hostilities are forcing governments to apply sanctions and other economic measures. Together, these forces are causing global supply networks to be reconfigured.

Businesses and governments are working to mitigate potential negative effects. That in and of itself is a cost. Geopolitical alignment is quickly becoming a more and more important consideration for foreign direct investment and trade relationships. This comes at the expense of more traditional macroeconomic factors like geographical proximity and other comparative advantages.

Are recent freedom of navigation issues, (i.e., attacks on commercial ships in the Red Sea) likely to remain a persistent risk?

Increasingly, this is the arena where we are seeing hostilities take place and the trendline is clear. Geopolitical threats, in isolation or combined, have the potential to put immense pressure on global supply chains. Commercial shipping could be disrupted further in the Red Sea, the Black Sea, or in the South China Sea and Taiwan Strait in the event of a Chinese invasion of Taiwan.

This trend is unlikely to reverse in the coming decade. For that reason, firms are limiting their dependence on a particular region, instead opting for more flexibility and supplier networks based domestically or friendly countries.

Industrial policy in the U.S. and elsewhere is trending increasingly protectionist – what does this mean for the production and distribution of goods?

Subsidies to promote domestic production will shrink the geographical footprint of some firms' supplier networks. Closer to home, this should lower the risk premia for some supply chain financing.

Michele Ocejo is SFNet director of communications and editor-in-chief of The Secured Lender.