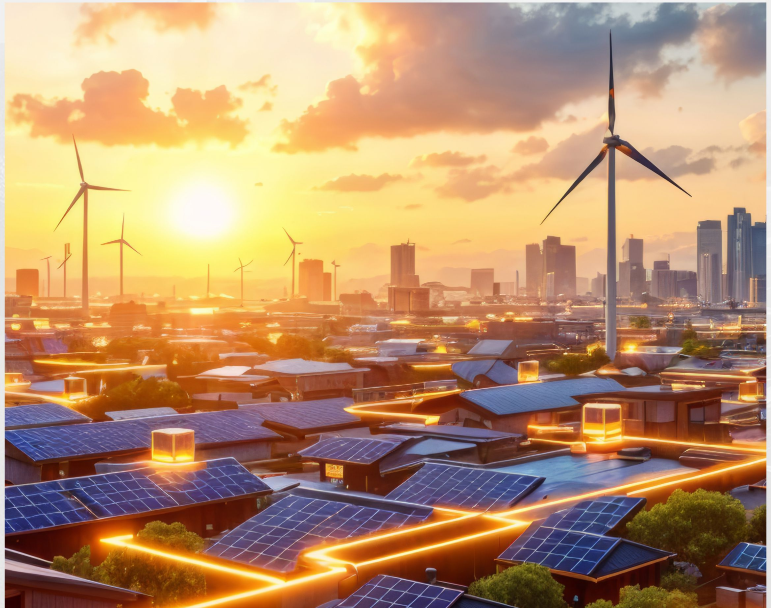
TOMORROW'S MONEY TODAY

REDUCED VENDOR COSTS **BY 4% FOR A RENEWABLES & POWER CLIENT**



Renewables & Power Company

www.m1xchange.com

Turnover

$7650 Mn

Vendors

400+

Established

1919

Employees

2800+

Rating

AA+

VENDOR CHALLENGES

Client Context

Client has specialized raw material vendors with high bargaining power

Vendors typically bake in their working capital costs in the pricing offered

High COGS

Gaps/Requirement

Help vendors avail better financing terms to reduce their working capital costs

Negotiate better pricing with vendors thereby reducing COGS

PROCESS IMPACT

Solution Offered

- Offered pure-play factoring solution via the M1xchange TReDS platform
- Deep integration with ERP for automatic payment block and auto reconciliation
- Auto accept enablement of bids by vendors

Implemented Process

- Analysed client's vendor costs and figured there's scope for reducing COGS by 2-3%
- Onboarded client vendors on M1 platform to avail competitive financing bids
- Corresponding working capital reduction for vendors translated to lower quoted costs for client

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IMPACT

Reduction in financing costs for vendors from about 11-12% to less than 7%

Reduced COGS and increased profitability for the client

Payments for **70-80% of the vendors** now made through the platform

8 additional subsidiaries to be added to the program