

EMEA - SFP _ Supplier Financing Program

Tasks to be completed when creating an operating procedure (from creation to publication)

1. Enter the **Title of the procedure**.
2. Add the following **Labels Labels**:
 - Region: [apac](#), [emea](#), [lam](#), [nam](#)
 - Domain & Process using the [List of labels to be used in the PtP space](#)
3. Fill all fields as described
4. Once the procedure is completed, publish it using the [PtP Procure to Pay approval workflow](#)

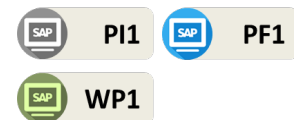
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Scope



ERP



References

Attachments

Objective

This document describes:

- The global process overview
- The vendor master data flow and information that must be updated at the different systems.
- "Supplier Financing Program" Process Flow
 - NAM/EMEA
 - LAM/APAC
- The procedures and controls implemented
- The different tasks that must be performed by different teams/persons along the process.

Supplier Financing context

Payment terms have been significantly worked out over the past years especially for large suppliers

Suppliers do look after cash and are not keen on increasing payment terms without any counter benefit

Cash management (forecast, flexibility, ...) is an increasing area of focus for suppliers

Solvay benefits from attractive financing rates on markets, potentially more attractive than suppliers in some cases

The objective is:

- Focus on large suppliers only (~>2/3m€ spend)
- Bring to the table an added value innovative system for both suppliers and Solvay
- Enhance cash management optimisation for both parties
- Enable flexibility and tailoring approach for both parties

Solvay negotiates extended payment terms in exchange of what:

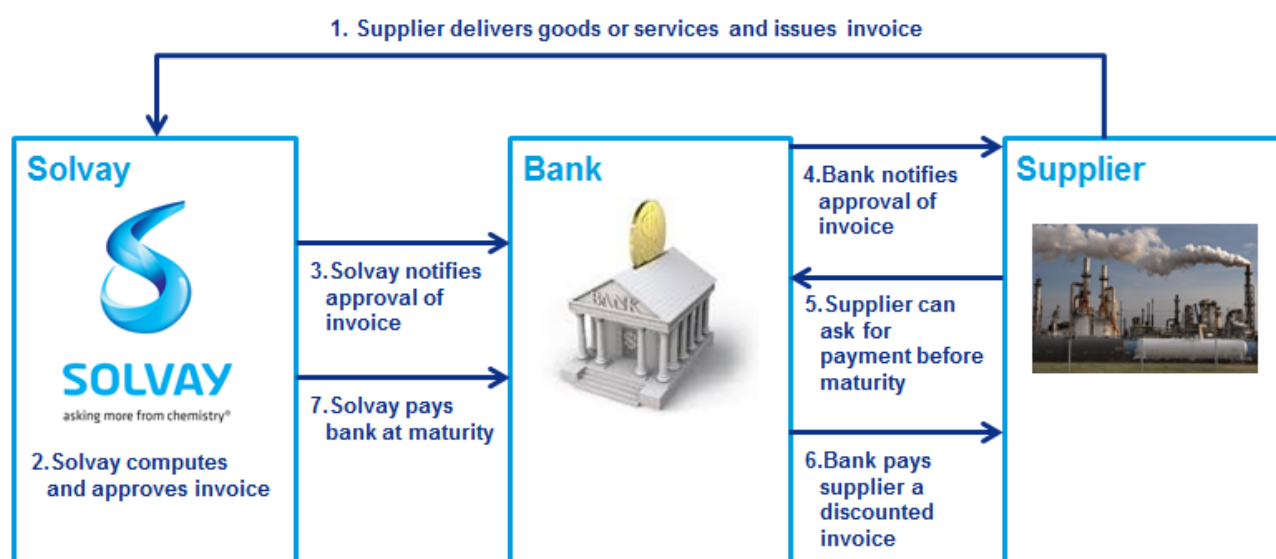
1. Solvay processes received invoices and approves them
2. When invoice approved, supplier can ask for payment before invoice maturity systematically or punctually
3. If so, supplier paid by banking partner upon request & charged at a cost based on LIBOR & Solvay credit standings, for instance, DB proposed fee: 1,48% APR

Solvay pays banking partner at maturity while continuing to manage PO, reception & invoice workflow

The benefits will be:

- Enhanced supplier relationship management through the provision of innovative added value service to suppliers
- Increased payment terms & enhanced working capital
- No recurring costs for Solvay ("project" resources & systems set up only)
- Flexible on boarding model as Solvay selects suppliers to be integrated and can adapt pricing mechanisms to suppliers
- Structural working capital optimisation rather than end of period short term optimisations
- Able to manage cash efficiently & with flexibility (automatic discounting or invoice cherry picking discount): conversion of receivables into cash when and if desired
- No service, set-up or unused credit lines fees
- Captures Solvay financial markets attractiveness when relevant
- Represent an alternative supplier "low cost" funding lever
- At least, on time payment secured

Global Overview



Master data Maintenance

Tanguy Moentack, Nathalie Manirakiza, Flavio Ciampaglia and Thomas Warnotte are in charge of the activation and change of SCF suppliers. All requests must be sent to Nathalie and Flavio with Tanguy in copy for approval before the activation/deactivation (Thomas is the leader).

- Currently there are these JP Morgan Vendors Created:

Vendor	Name	City	Country
2113681	JPMORGAN CHASE BANK NA	NEW YORK	USA
2823930	J P MORGAN CHASE BANK	LONDON	UNITED KINGDOM
4009699	JPMORGAN CHASE BANK (CHINA) CO LTD	SHANGHAI	CHINA
9901018838	BANCO J P MORGAN S A	SAO PAULO	BRAZIL
4206355	JPMORGAN CHASE BANK NATIONAL ASSOCIATION	MUMBAI	INDIA
4506050	JP MORGAN CHASE BANK	BANGKOK	THAILAND

NOTE 1: Whenever confirmed a new JPM bank account the remaining bank types cannot be changed.

NOTE 2: SFP program is now running for Solvay Sodi in Bulgaria (CoCd 3438).

The set up is the same except for the factoring company. The only difference is instead of being JP Morgan it will be ING Bank (Vendor number 502562995).

The first vendor to be set up was vendor 602607403 so in case of doubt, you can use this vendor as a reference.

PF1_050

The first step is update the master data of the vendor classifying as a SFP vendor (supplier financing program) using **XK02**:

Vendor BDP INTERNATIONAL NV ANTWERPEN

DUNS Solvay Cross.Reference Purchasing Segmentation Company Data OTHERS

VIP

VIP Vendor

VIP Request Date: By GBU : CBS & NBD

Then, insert the Permitted Payee (choice based on the suppliers region) using **XK02**:

Payment transactions Alternative payee in document

Alternative payee

DME Indicator

Instruction key

ISR Number

Individual spec.

Spec. per reference

Display Vendor: Alternative payee

Payee	Name	City
2823930	MORGAN CHASE BANK	LONDON

Note: If supplier is available for WP1 system, the permitted Payee should be added manually in WP1, the system is not performing the transference in an automatic way.

PF1_020 and WP1_400

Maintain SFP - **SM30 - Z1Y_SFP_SEL_ERP**. The company code will be provided by the requester:

Change View "Supplier Financing Selection": Overview

CoCd	Vendor	Payer
0001	2125595	2823930
0001	406203441	2823930
0001	702701440	2823930
0005	406203441	2823930
0005	702701440	2823930
0237	702701440	2823930
0240	702701440	2823930

Then, the Payment Terms (provided by the requester) have to be update at Company and Purchasing Level (company, purchasing or plant view).

NOTE: NAM/EMEA - Ensure Vendor master data is aligned with P11

- **Company view** (using **XK02**):

- **Purchasing view** (using **XK02**): Check the Purchasing Organization where Vendor is currently created using **MKVZ** or **SE16_LFM1**. It is only changed in PF1_020. In the WP1 system the Payment Term is updated only at Plant level.

- **Plant view** (using **XK02**): Check the Plants where Vendor is currently linked using **SE16_LFM2**. It is only changed in the plants for the same country as the company(s) code(s). This action applies only for WP1 vendors. The plants not linked to the vendor must be linked if the payment term provided for SFP is different from the one already in the Purchasing Organization(s).

The transaction SQ00 (Query areas - *Standard Area* ; Other user group: *ZW_PU* ; Query: *ZMM-026*) will provide you the list of plants by company:

For example a vendor linked only for the PO 3001:

PORg	Purchasing Organization	Plnt	Plant
3001	General Exp Europe	0214	6068 Oldbury
	General Exp Europe	0215	6068 / Watford
	General Exp Europe	7091	ZZZZ ex 6068 / Share&Gen Oldbu
	General Exp Europe	7403	ZZZZ ex 6068 Leeds
	General Exp Europe	7410	ZZZZ ex 6068 Clayton Latex AF
	General Exp Europe	7411	ZZZZ ex 6068 / Rafiatac Limite
	General Exp Europe	7412	ZZZZ ex 6068 / Sil Engineering
	General Exp Europe	7413	ZZZZ ex 6068 / Bordon
	General Exp Europe	7414	ZZZZ ex 6068 / Jamak Fab Eur
	General Exp Europe	7415	ZZZZ ex 6068 / Primasil
	General Exp Europe	7431	ZZZZ ex 6068 Staveley Eco Serv
	General Exp Europe	7432	ZZZZ ex 6068 Avonmouth PPA
	General Exp Europe	7434	ZZZZ ex 6068 Gower Chemicals
	General Exp Europe	7435	ZZZZ ex 6068 Avonmouth c/Avon
	General Exp Europe	7436	ZZZZ ex 6068 Norwich
	General Exp Europe	8058	6068 Halifax
	General Exp Europe	8198	6068 / Solvay P&S GmbH Genthin

The Plants 0214, 0215, 8058 and 8198 will need to be added or updated.

To add or update you click in the field Different Data:

Change Vendor: Purchasing data

Vendor: 702701440
Purchasing Org.: 3001

Conditions:

Order currency: EUR
Terms of payment: Y030
Incoterms: CIP
Minimum order value:
Schema Group, Vendor:
Pricing Date Control:
Order optimizat.:
Sales data:
Salesperson:
Telephone:
Acc. with vendor:
Control data:
 GR-Based Inv. Verf.

Sub-range:
Vendor Subrange:
VSR description:
Plant Name:
0214
0215
8058
0190

Alternative Data:
 Purchasing data
 Partner functions

NOTE: In PF1 we have transversal Purchasing Organizations, where the change will impact other Company Codes. All Porgs. starting with Z***, no change should be done at all levels and Requester will need to be informed, in order to renegotiate the SFP contract to all company codes instead. Example: ZC30 Foc. Packaging.

Message to be sent:

"This request will impact Purchase Organizations that are shared with other company codes where the Vendor is also created and not included on the initial request. Impacted Purchase Organizations & Company codes:

- 4290 SOLVAY CHEM (US)
- 0001 SOLVAY (SCH)
- 0270 SOLVAY CHIMICA (IT)
- (...)

AP, Provisioning and Materials team

After the update made at vendors level the ticket needs to be transferred to the Materials team. They will analyse and update active contracts.

Hereafter, the requester is informed and, if not provided in the initial request, ask if:

- Open items must be updated (If the answer is Yes transfer request to AP, and afterward, they should inform SC Payments, we don't need the ticket back)
- Open POs must be updated (if the answer is Yes transfer request to Provisioning stating the Purch Org. and Plants impacted, and afterward, they should inform SC Payments, we don't need the ticket back)

If the answer is YES to both questions, ask Provisioning to transfer the ticket to AP and afterward, they should inform SC Payments, we don't need the ticket back.

Annual Review

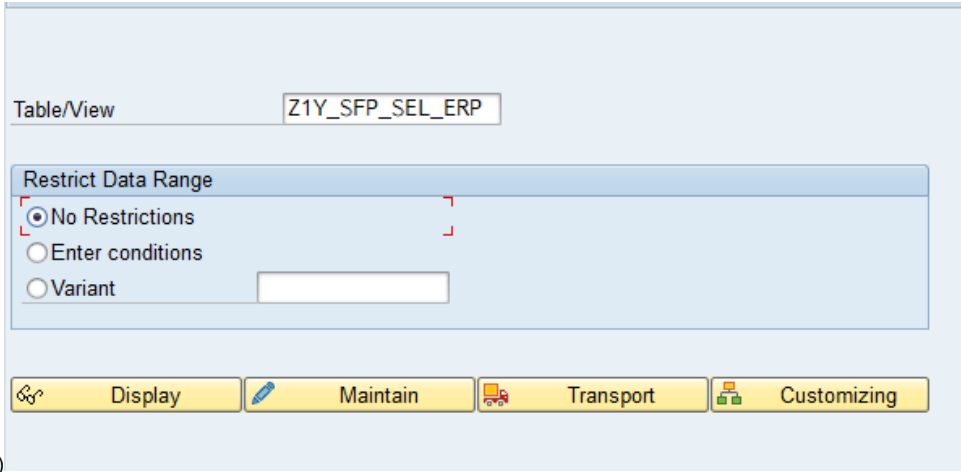
The annual review is done by Data Operations Lisbon Team, normally in the beginning of the year, referent to the previous year, and the final report should be sent to Tanguy Moentack; Nathalie Manirakiza; Flavio Ciampaglia with the Manager Thomas Warnotte in cc.

The [Template Annual Review](#) should be used and all data should be storage in the [Shared drive](#).

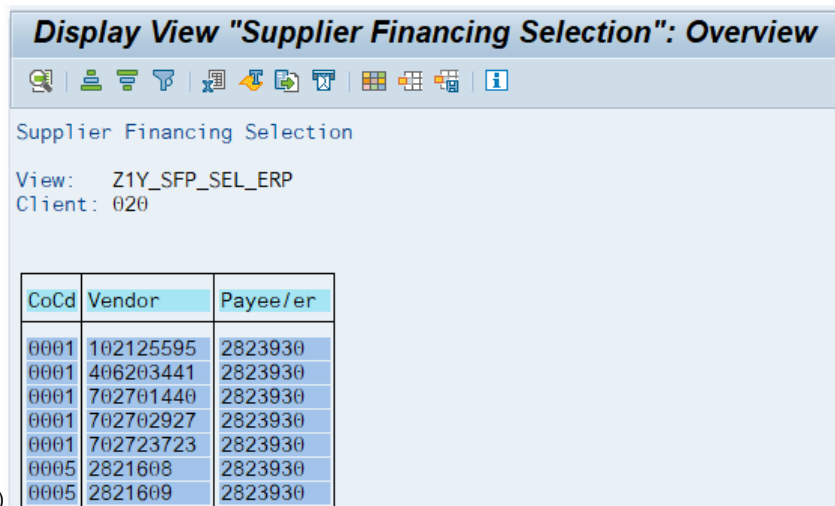
Extract the data available in SAP		
<ul style="list-style-type: none"> • SM30, table Z1Y_SF_P_SEL_ERP • Select No Restrictions and Di 		

- splay (1)
- The table will be displayed (2)
- Click on **Table View** and select **Print** (3)
- Click on the mouse right button and choose **Spreadsheet** (4)
- Copy (CTRL + SHIFT + V) this list to tab **PF1** + **WP1** **Extraction** on **Template Annual Review** and add the respective system in the column **A** (4)
- This action should be done for both systems **PF1** & **WP1**

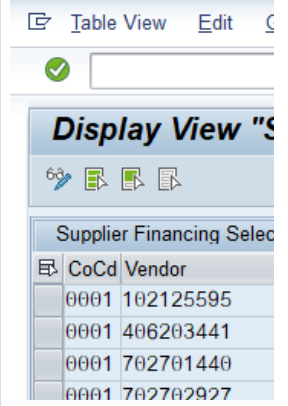
(1)



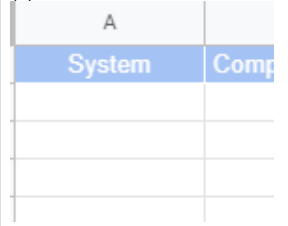
(3)



(2)

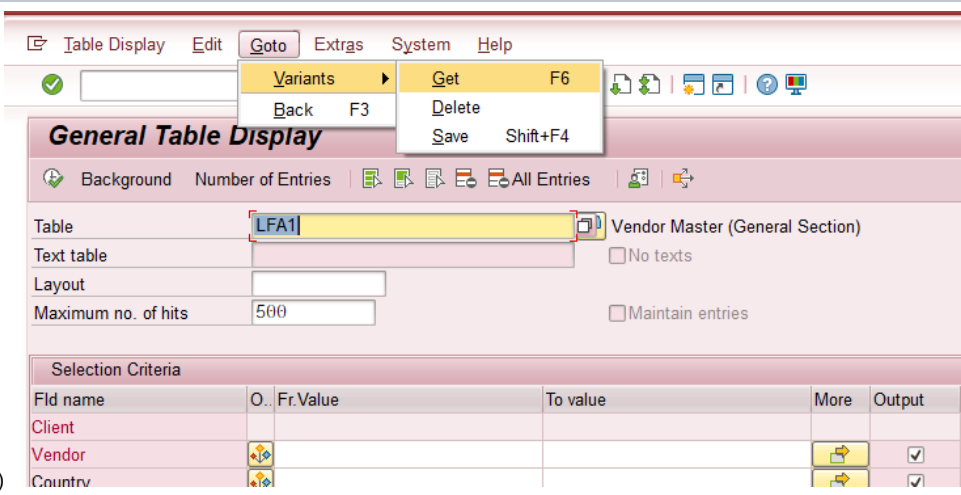


(4)

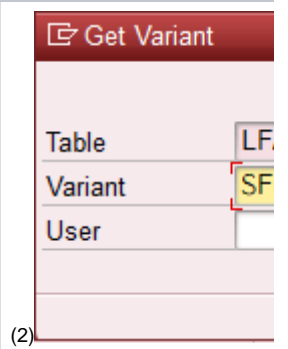


- In **PRS** run transaction **SE16N - Goto - Variants - Get** (1)
- Get variant **SFP** (2)
- PF1:**
 - Select all suppliers from **C**

(1)



(2)



column C, add it on Vendor field and run (3) Click on the mouse right button to n and choose Spreadsheet (4) Copy (CTRL + SHIFT + V) this list to tab PRSExt ra ct io

(3)

Field name	O.	Fr. Value	To value	More	Output	Technical name
Client						MANDT
Vendor					<input checked="" type="checkbox"/>	LIFNR

Multiple Selection by Field		
Field: LIFNR Vendor		
Multiple Entry		
O.	Fr. Value	To Value
	2500042007	
	130259	
	84158	
	84158	
	2500049051	
	105216	
	2160149	
	406183771	

Number of Selection Criteria: 19

Buttons: New Entries | All Entries | Multiple Selection

(4)

Vendor	Name 1
2126532	AXIALL LL
2152072	AXIALL LL
2160149	AMERISC
2308131	AXIALL CA
2502380	AUTOQUI
4205792	BAJAJ LIF
402440059	AUTOTRA
406183771	ARCESE
406196744	AUTOTRA
1003048164	BDP INTE
1003059096	BAVARIA
2500042007	ABBA SA
2500049051	AGRICOL

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- Copy the information from tab PF 1 + WP1 Extrac tion to the respective columns in tab YY YY (1)
- Do a V lookup between tab Y YYY and tab PRS Extrac tion to retrieve the inform

(1)

System	Company Code	Vendor Number		Name	Payeefer	Payee Name	Comment
		PF1	WP1				
WP1	6592		2500048001		9901018838		
WP1	7523		2500048001		9901018838		
WP1	7580		2500048001		9901018838		
WP1	7743		2500048001		9901018838		
WP1	8090		2500048001		9901018838		
WP1	6343		2500042007		2113681		
WP1	7523		2500042007		9901018838		
WP1	7523		2500037220		9901018838		
WP1	7523		250000090		9901018838		
WP1	7580		250000090		9901018838		
WP1	7523		2500049051		9901018838		
WP1	7424		2127658		2113681		
WP1	7180		2160149		2113681		
PF1	0270	406183771			2823930		
PF1	5835	406183771			2823930		
PF1	5726	2502380			2113681		

(2)

System	Company Code	Vendor Number		Name	Payeefer	Payee Name	Comment
		PF1	WP1				
WP1	6592	2500048001	2500048001	A D R SERVICE MANUTENCAO E MONTAGEM	9901018838	BANCO J P MORGAN S A	
WP1	7523	2500048001	2500048001	A D R SERVICE MANUTENCAO E MONTAGEM	9901018838	BANCO J P MORGAN S A	
WP1	7580	2500048001	2500048001	A D R SERVICE MANUTENCAO E MONTAGEM	9901018838	BANCO J P MORGAN S A	
WP1	7743	2500048001	2500048001	A D R SERVICE MANUTENCAO E MONTAGEM	9901018838	BANCO J P MORGAN S A	
WP1	8090	2500048001	2500048001	A D R SERVICE MANUTENCAO E MONTAGEM	9901018838	BANCO J P MORGAN S A	
WP1	6343	2500042007	2500042007	ABBA SANEAMENTO AMBIENTAL LTDA	2113681	JPMORGAN CHASE BANK NA	
WP1	7523	2500042007	2500042007	ABBA SANEAMENTO AMBIENTAL LTDA	9901018838	BANCO J P MORGAN S A	
WP1	7523	130259	2500037220	ABRATECH COMERCIO SERVICOS	9901018838	BANCO J P MORGAN S A	
WP1	7523	84158	250000090	AGILBAG CONTAINERS E EMBALAGENS FLE	9901018838	BANCO J P MORGAN S A	
WP1	7580	84158	250000090	AGILBAG CONTAINERS E EMBALAGENS FLE	9901018838	BANCO J P MORGAN S A	
WP1	7523	2500049051	2500049051	AGRICOLA PONTE ALTA LTDA	9901018838	BANCO J P MORGAN S A	
WP1	7424	105216	2127658	AMERIGLOBE LLC	2113681	JPMORGAN CHASE BANK NA	
WP1	7180	2160149	2160149	AMERISOURCE	2113681	JPMORGAN CHASE BANK NA	
PF1	0270	406183771	53664	ARCESE TRASPORTI SPA	2823930	J P MORGAN CHASE BANK	
PF1	5835	406183771	53664	ARCESE TRASPORTI SPA	2823930	J P MORGAN CHASE BANK	
PF1	5726	2502380		AUTOQUIMICOS SA DE CV	2113681	JPMORGAN CHASE BANK NA	
PF1	0270	406196744		AUTOTRASPORTI CAVALLO GIORDANO& VAL	2823930	J P MORGAN CHASE BANK	

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are visible in order to not overwrite any info)

- **VENDOR NAME**
- Do a **Vlookup** between tab **YYY** and tab **JP Morgan Payees** to retrieve the information related to:
 - **PAYEE NAME** (2)

- Send an email via **Freshdesk** to the following users:
 - Nathalie.Manirakiza@solvay.com
 - flavio.ciampaglia@solvay.com (cc)
 - thomas.warnotte@solvay.com (cc)
 - tanguy.moentack@solvay.com (cc)

- **Email Template:**
 - *Dear Purchasing Performance Team,*

We are contacting you due to the annual review related to the **SFP Table** (where all the suppliers selected to be part of the program are managed), we will need your support in order to review the values under this table and confirm if all remain valid or if any update needs to be performed in order to align the information between your Team and Data Operations Team.

In case of support, assistance, or any further clarification please don't hesitate in contacting us.

Your confirmation is key to ensure the proper flow in our organizations.

Thank you in advance and have a nice day!

Best regards,

- **Follow-up**

- After 15 days if no reply a follow-up email should be sent and if after more 15 days still no answer, a third and last email will be sent informing that the Annual Review has been concluded, that the table will remain with the current values and no update will be done until further notice.

To join

When a new company (affiliate) joins the program, the following actions must be taken:

LAM/APAC - Update Variant (Z1Y_SFP_COCKPIT_ERP) PF1/WP1

- Varint: LAM
- Varint: APAC

NAM/EMEA - Update Variant (Z3Y_SFP_COCKPIT) - PI1

- PI1 variants:
 - EMEA
 - NAM

Supplier Financing

Who does What?

PSCE Performance Manager (J. Capellano) selects suppliers

PSCE Performance Manager (J. Capellano) signs contract

PSCE informs PtP SC AP + Data of each region

PtP Data sets up SFP master Data (clarify scope based on company code = payment terms at all levels)

PtP AP confirms cut-off (clarify scope based on company code)

PtP AP updates payment method and criterias for payment in Payment Factory or in local payment

PtP AP runs job with daily file sent to JP Morgan (with open items from Vendor) - file per region (same program with different variants)

- If doesn't run...null and run again
 - JP Morgan confirms reception (PtP doesn't monitor sending today)







Solvay pays JP Morgan at invoice due date = Payment Terms for JP Morgan

- Credit notes due dates (to be confirmed)

- SFP Cockpit I and FI II- Update Permitted Payee at the time of posting
- Comex (External Commerce) - external supplier invoices - generated by SC CUR (to confirm) - Load to cockpit?
- Suppliers receives payment advice from JP Morgan
- JP receives payment advice from Solvay

Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

From Jul 06, 2021 to Sept 30, 2021	Actor	Type	Activity	Version
Published	Cátia Amaro and Marta Almeida	Edit	multiple updates from  Cátia Amaro and  Marta Almeida	
	 Rui Cabrita	State	gave <i>Approvers</i> approval at 1:47 pm	
	 Rui Cabrita	State	changed state to Published at 1:47 pm	v42
To be approved	 Rui Cabrita	State	gave <i>Approvers</i> approval at 1:47 pm	
		State	assigned approval <i>Approvers</i> to  Rui Cabrita at 1:32 pm	



Note: If the supplier is available for WP1 system, the Permitted Payee should be added manually in WP1, the system is not performing the transference in an automatic way.

State unassigned Rui Cabrita from approval *Approvers* at 1:32 pm

Note: If the supplier is available for WP1 system, the Permitted Payee should be added manually in WP1, the system is not performing the transference in an automatic way.

Jul 01, 2021



Edit updated the page at 3:28 pm

State assigned approval *Approvers* to Rui Cabrita at 1:28 pm

State changed state to *To be approved* at 1:28 pm

v41