

# 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](#)

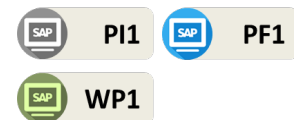
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## Scope



## ERP



## References

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## 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:

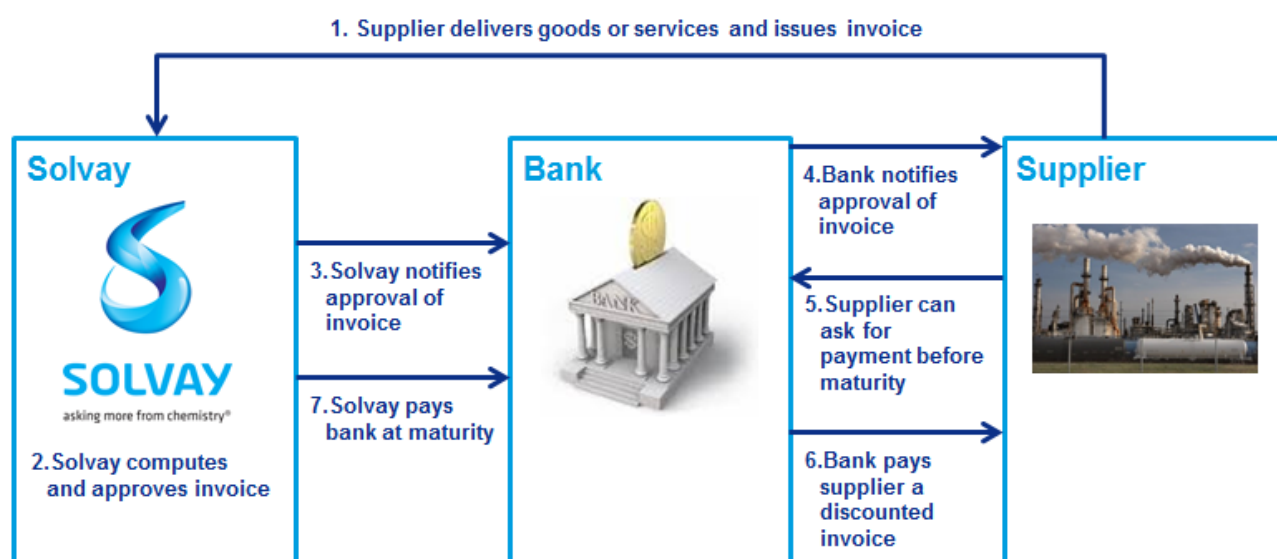
1. Solvay processes received invoices and approves them
2. When invoice approved, supplier can ask for payment before invoice maturity systematically or punctually
3. If so, supplier paid by banking partner upon request & charged at a cost based on LIBOR & Solvay credit standings, for instance, DB proposed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

**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.

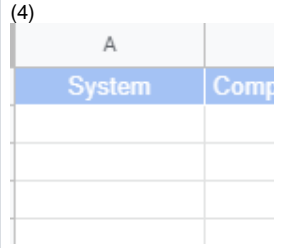
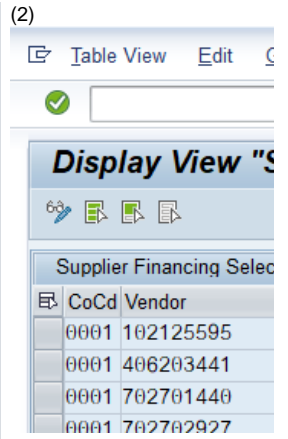
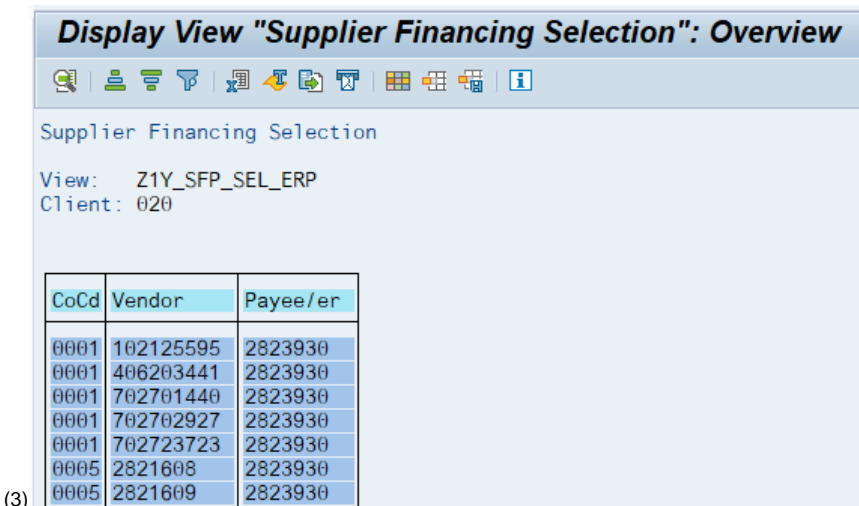
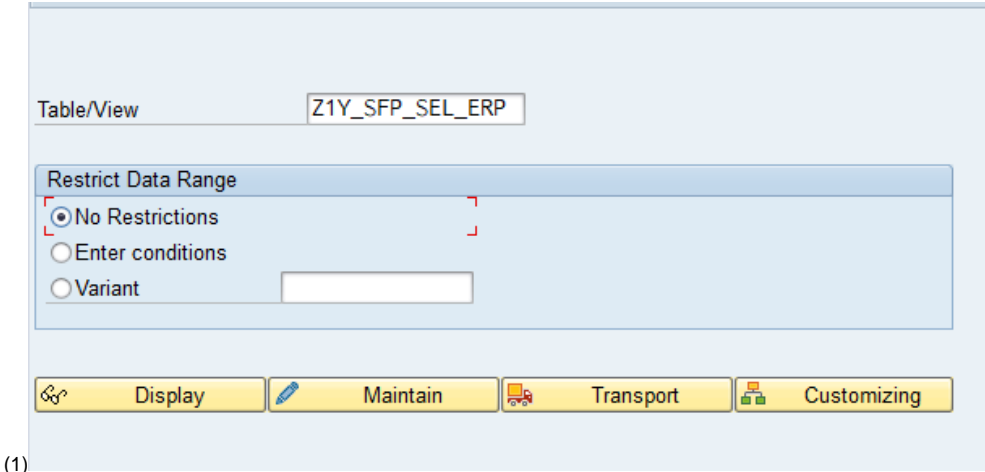
## Annual Review

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.

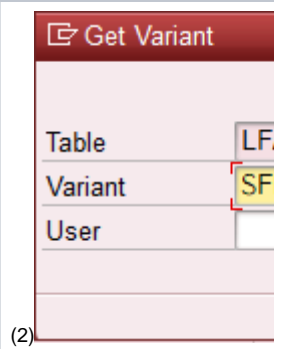
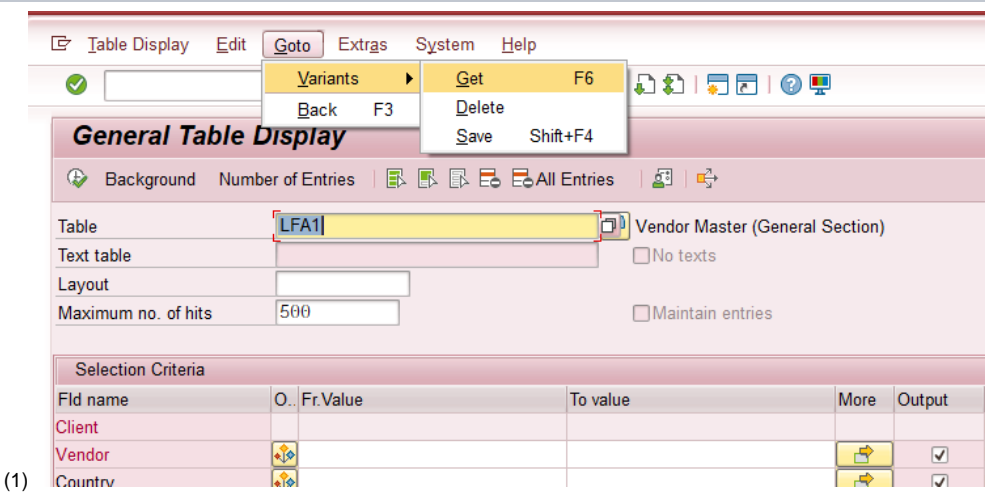
The [Template Annual Review](#) should be used and all data should be storage in the [Shared drive](#).

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

- 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**



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



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)

| Fld 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 Extraction to the respective columns in tab YY YY (1)
- Do a V lookup between tab Y and tab PRS Extraction 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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- Do a **V lookup** between tab **Y** **YYY** and tab **JP Morgan Payees** to retrieve the information related to:
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- Send an email via **Freshdesk** to the following users:
  - o [Nathalie.Manirakiza@solvay.com](mailto:Nathalie.Manirakiza@solvay.com)
  - o [flavio.ciampaglia@solvay.com](mailto:flavio.ciampaglia@solvay.com) (cc)
  - o [thomas.warnotte@solvay.com](mailto:thomas.warnotte@solvay.com) (cc)
  - o [tanguy.moentack@solvay.com](mailto:tanguy.moentack@solvay.com) (cc)

- **Email Template:**

- o *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 preformed 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