

# Highly Commended Winner Best Supply Chain Finance Solution

## Syngenta Asia Pacific Pte Ltd

Lim Mui Lai, Asia Pacific Treasurer



Syngenta Group Co. Ltd is a world leading agri-tech company present in more than 100 countries.

SCF programme helps Syngenta strengthen its supplier relationships in APAC



*Carlos Santos, Global Finance Business Partner, Direct Procurement, Lim Mui Lai, Asia Pacific Treasurer and Lukas Krattinger, Asia Pacific Head of Financial Solutions and Business Development.*

### The challenge

Syngenta has complex supply chains involving counterparties of varying sizes. In the emerging markets in Asia Pacific, Syngenta deals with complex and dispersed distribution channel networks in which customers range from small to medium size entities. On the supply side, vendors are medium to large scale enterprises. This complicated value chain creates various opportunities of improvements for Syngenta's business as well as treasury management and supply chain finance.

Syngenta identified the following objectives for its supply chain:

- Strengthening relationship with strategic suppliers.
- Increasing financial stability of supply chain by taking care of their working capital needs.
- Smooth onboarding of suppliers.
- Automated, straight through processing (STP) of payables.
- Long-term sustainable supply chain finance programme.

### The solution

Syngenta identified the bottleneck of working capital needs of their suppliers and proactively extended help to their qualified suppliers thereby creating a sustainable and healthy ecosystem. It issued a request for proposal (RFP) to get a best in class solution.

Syngenta was strategic in supplier selection communication and selection of suppliers was phased with priority given to its strategic suppliers in China and India that are handled through its Hub in Singapore. This helped its chosen bank, Citi, to onboard suppliers efficiently.

Syngenta embraced automation with Citi's supplier finance platform further using secured and straight through SWIFTnet data transfer with the bank. Syngenta adopted an innovative ERP integration for file creation and straight through SWIFTNet connectivity so that suppliers get paid with minimal delay.

Syngenta achieved savings on payable management as Citi takes the role of payment agent to pay the suppliers. Syngenta had the vision to roll out the programme on a large scale across various procurement locations such

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as Singapore, China and, in future, Australia. Syngenta's excellent bank relationship management and its efficient distribution desk helps the SCF programme to reach its planned size.

## Best practice and innovation

A total payable coverage of US\$400m allowing Syngenta to offer the Asia SCF programme to the planned number of its suppliers. Syngenta's good relationship management with banks have helped to line up secondary banks to support such coverage. Syngenta was able to complete supplier onboarding covering multiple buyer and supplier locations and entities.

Syngenta has completed the SWIFTnet implementation for STP and the SCF programme is close to 100% utilisation within just six months of implementation. This adoption of the SCF programme by suppliers is one of the best in the sector as well as across sectors.

SCF has tangible benefits such as improved liquidity and reduced day sales outstanding for suppliers from 45 to 60 days to less than five days, while Syngenta continues to have balance sheet benefit of existing payment terms.

## Key benefits

- Close to 100% utilisation within just six months of implementation.
- Improved liquidity.
- Reduction in days sales outstanding.
- Supplier relationships strengthened.

"The programme created a win-win value proposition, providing working capital optimisation to both the suppliers and our company as well as the intangible benefits with improved supplier relationships," says Lim Mui Lai, Asia-Pacific Treasurer.



Syngenta has a proactive treasury and Citi is the right banking partner for them. Syngenta pro-actively identified the bottleneck of suppliers' working capital and decided to help their suppliers to maintain a sustainable agri-tech ecosystem which consists of seed growers, dealers and farmers in emerging markets. They adopted Citi's Supplier Finance solution with ERP integration for faster set-up and straight through data transfer to ensure suppliers get paid on time. Citi is happy to have helped Syngenta's vision to come to reality in short time, during the COVID pandemic and to help this ecosystem of a basic human need of food.

**Manish Joshi, APAC Regional Sales, Treasury and Trade Solutions, Citi**

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