

ON-DEMAND

DYNAMIC DISCOUNTING

As organizations continue to streamline the purchase-to-pay process, financial leaders are eager to leverage their increased efficiencies and begin looking at working capital solutions to better optimize cash flow. Corporations with good cash position need low-risk investment options that let them optimize their cash position while generating profits and supporting the cash flow needs of their suppliers. Suppliers want more visibility into the payment times of unpaid invoices and to ensure they have the right amount of cash on-hand to be financial stable and grow their business. Dynamic discounting helps both parties achieve their strategic goals.

WHAT IS DYNAMIC DISCOUNTING?

The "dynamic" part of a dynamic discount program means that the program is on a sliding scale, which allows buyers to receive the maximum discount on approved invoices by paying on the earliest day possible and a moderate discount on invoices paid a little later. So, the faster you pay, the higher discount you receive. And, unlike conventional early payment programs, there is the option to receive a cash discount on all incoming invoices paid before the due date. But maybe buyers don't want to pay all invoices early for that discount; maybe they want to stagger the payments - hello on-demand discounting.

WHAT IS ON-DEMAND DYNAMIC DISCOUNTING?

On-demand dynamic discounting is just how it sounds - it's available and

suppliers take it when they need it. This enables them to hand-pick which invoices they want to receive early payment on. If they need cash on-hand, they accept the early payment and the buyer gets a discount. If they can wait longer, they accept payment at a later date and the buyer gets a

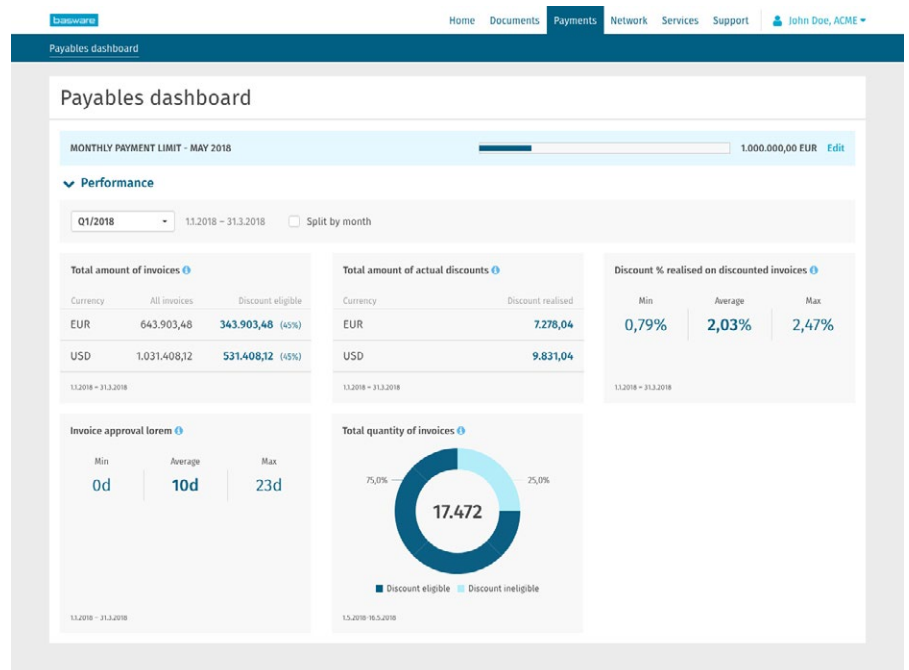
lower discount. On-demand dynamic discounting offers a more tailored and flexible payment plan to meet suppliers' needs, helping to build stronger supplier relationships, support their cash flow needs and ensure supply chain resilience.

SUPPLIER KEY BENEFITS:

- Get cash flow and working capital when needed
- Receive fast payments
- Increase visibility into unpaid invoices

BUYER KEY BENEFITS:

- Improve margins
- Invest excess cash
- Increase supplier collaboration
- Support supplier cash flow needs
- Reduce supply chain risk



HOW DOES ON-DEMAND DISCOUNTING WORK?

1. Buyers segment the supplier base and determine which suppliers should be offered on-demand discounting options.
2. Suppliers receive an e-mail invitation from Basware Network to join the dynamic discounting program and review the dynamic discount proposal offered by the buyer.
3. As soon as buyers process invoices for payment, suppliers receive notifications from the dynamic discounting service on the Basware Network stating the availability of the early payment options.
4. Suppliers enter how much cash they need by a specific date and the service presents the set of invoices that are available for early payment to meet the cash needs.

The screenshot shows the 'Early Payment Offers' page in the Basware system. It includes a navigation bar with 'Home', 'Documents', 'Payments', 'Services', 'Network', and 'Support'. The main content area has a search filter for 'I need payment by *' (07/30/2017) and 'I need this amount' (200). A 'Find offers' button is present. Below the search, a summary shows '272.23 EUR selected (costs 5.19 EUR) / 1,249.88 EUR available for payment in total'. A table lists three invoices from 'Test Buyer' with their respective payment dates, costs, and totals. A 'Request payment' button is visible on the right side of the table.

Callouts:

- View early payments already requested here:** Points to the 'Early Payment Offers' header.
- Enter date and amount to filter invoices:** Points to the search filter fields.
- Invoices are preselected by date and amount:** Points to the table of invoice offers.

AVAILABILITY

On-demand dynamic discounting is part of the Basware Dynamic Discounting solution and is available in the Basware Network.

ABOUT BASWARE

Basware is the global leader in providing purchase-to-pay solutions, e-invoicing and innovative financing services. Basware's commerce and financing network connects businesses around the globe. As the largest open business network in the world, Basware provides scale and reach for organizations of all sizes, enabling them to grow their business and unlock value across their operations by simplifying and streamlining financial processes. Small and large companies around the world achieve significant cost savings, more flexible payment terms, greater efficiencies and closer relationships with their suppliers.

Find out more at:

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