SCF STRATEGIES

When Payments Meet Working Capital

The convergence of supply chain finance and commercial payments, and the race to control the corporate payment lifecycle



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Perspectives for corporates, financial institutions and fintechs

The next competitive frontier is deciding how and when an invoice should be paid, not simply financing or executing it.

Executive perspective

Supply chain finance and commercial payments have approached the same corporate obligation from different directions. One addresses funding and the timing of cash; the other addresses how an approved payment is executed. Their boundaries are becoming less distinct as specialist financing platforms add payment services, payment providers extend into working capital, and enterprise software companies embed financial capabilities in existing workflows.

The strategic consequence is not merely a broader product catalog. Providers are competing for influence over a higher value decision: how and when an approved obligation should be settled, using whose liquidity, through which instrument, at what total cost, and with what supplier experience.

This paper advances a testable thesis: controlling the decision and the workflow surrounding an invoice may become more strategically valuable than directly supplying every underlying financial service. The evidence supports movement in that direction, but not a universal winner. Some corporations will prefer open ecosystems, and banks will remain critical as providers of capital, regulated services and payment infrastructure.

What has changed	Why it matters
SCF platforms add payment services	More invoices and suppliers can be served beyond the subset electing early payment.
Payment providers move upstream	Access to invoice and approval data opens opportunities to influence working capital choices.
ERP and procurement firms embed finance	The enterprise workflow becomes a competitive distribution point.
Partnerships connect specialist capabilities	An orchestrator may deliver integrated outcomes without vertical ownership.

1 The convergence in one transaction

The approved invoice is the common asset. Treasury wants cash flow efficiency and control; accounts payable wants reliable execution and reconciliation; procurement wants healthy supplier relationships; suppliers want certainty and access to liquidity at an acceptable cost. Historically these needs have been supported by separate product categories and provider relationships.

A useful convergence test asks whether a buyer can evaluate, within one coherent process, standard electronic payment, bank funded SCF, buyer funded early payment, virtual card, card to account and other relevant options. Integration is meaningful when the decision incorporates supplier eligibility and preferences, financing cost, payment fees, buyer liquidity, contractual terms and operating constraints.

2 Evidence: a market moving from products toward workflows

The following examples demonstrate different degrees of movement toward convergence. They are not claims that the providers offer equivalent functionality, or that all have achieved end to end orchestration.

Provider	Observed move	Model / interpretation
SAP / Taulia	SAP acquired a majority stake in Taulia in 2022; Taulia later partnered with Mastercard for virtual cards and expanded card to account acceptance in 2026.	Buy + partner; clear working capital to payments bridge [1–3]
PrimeRevenue	Offers SCF alongside Payments as a Service, including payment and remittance visibility for suppliers [4]	Build / adjacent capability; no comparative performance conclusion
Mastercard	Embedded virtual card integrations with enterprise platforms including SAP Taulia.	Partner; payments capability embedded in workflows [5]
Visa	B2B Payables combines virtual card payment capabilities and working capital positioning through a partner ecosystem.	Build + partner; payments toward optimization [6]
J.P. Morgan	Announced integration of treasury and payments capabilities into SAP S/4HANA Cloud.	Partner; banking embedded in enterprise workflow [7]
Corpay	Acquired Paymerang in July 2024, adding AP automation reach to corporate payments.	Buy; workflow expansion, not direct proof of SCF expansion [8]
C2FO	Offers buyer and third party funded early payment; connects with procurement and finance partners.	Build + partner; liquidity embedded in broader workflows [9]
Ivalua	Partnered with C2FO to bring early payment into source to pay processes.	Partner; procurement moving into working capital [10]
Kyriba	Provides treasury, payment connectivity and payables finance capabilities.	Build / suite adjacency; treasury convergence [11]
Serrala	Launched unified finance platform across AR, AP and payments in January 2026.	Build / integration; finance execution focus [12]
PlusAdvance	Offers SCF and Mastercard enabled Card2Account, connecting card initiated payment to supplier bank transfer [13–15]	Partner / adjacent capability; no comparative performance conclusion

Supplier experience: transparency before financing

The supplier interface is a distinct competitive control point, not merely the last step in onboarding. Once an invoice is approved, a useful portal can reveal its status, approved amount, relevant credits and offsets, net payable and expected settlement date. This clarity can improve reconciliation and cash forecasting even when the supplier chooses not to finance the invoice.

Where eligible, the same experience may allow suppliers to evaluate an early payment offer against marginal borrowing cost, the expected return from deploying proceeds, and other liquidity options. An invoice should be accelerated only where the economics and supplier preferences justify it. Historic companywide ROIC is not, by itself, a sufficient decision rule.

This experience depends on reliable buyer data, clarity about whether approved amounts remain subject to dispute or adjustment, security, transparent financing terms and a credible implementation model. A portal that merely adds another login without improving information or choices is not an advance.

3 Where the strategic battle is being fought

Control point	Source of advantage	Competitive pressure
Client relationship	Commercial influence, distribution and program design	ERP platforms and embedded fintechs can challenge bank ownership of the interface.
Invoice and payment data	Visibility into timing, eligibility and transaction economics	Data quality, permission and connectivity limit theoretical advantage.
Decision and orchestration	Selection of economically appropriate financing and payment path	Requires transparent rules and the ability to manage conflicts of interest.
Capital and execution	Funding capacity, rails, compliance and settlement certainty	Banks remain indispensable even when others control the interface.
Supplier engagement	Enrollment, preferences, acceptance, dispute handling	Low adoption can erase the economics of a technically elegant platform.

An important strategic hypothesis is that an integrated decision layer can combine invoice data, financing economics and payment execution. This position is not automatically defensible: buyers may retain control of decisions, suppliers may prefer specialist relationships, and banks retain structural advantages in funding and settlement.

4 What corporates should do differently

Corporates should evaluate convergence as a portfolio optimization opportunity, not a vendor consolidation project. The relevant question is whether payment and financing choices maximize net economic value across the eligible payables base while preserving supplier resilience and appropriate risk controls.

Management question	Recommended action	Success indicator
Are product incentives aligned?	Compare net costs and benefits across SCF, discounts, card and standard payments.	Net economic benefit after funding, transaction and program costs.
Can the same supplier use multiple options?	Capture preference and eligibility once where practicable.	Supplier adoption and option coverage.
Can we change execution partners?	Design portable data, clear interfaces and multi provider governance.	Lower switching friction and fewer operational exceptions.
Is Finance aligned with Procurement and AP?	Establish common economic objectives and decision rights.	Working capital, cash returns and processing efficiency together.

The practical first step is to segment annual payables by supplier, country, invoice status, maturity, available funding, acceptance method and payment frequency. Only then should the corporate choose the optimal mix of instruments and delivery partners.

5 Implications for financial institutions

Banks have structural strengths in liquidity provision, settlement, controls, regulated infrastructure and treasury relationships. But the client relationship can weaken if financial choices become embedded in software environments operated by others. The critical question is not whether banks can replicate every fintech function, but where they must maintain influence and where distribution partnerships create greater value.

A bank should map which portion of its corporate payment flow is initiated or influenced by third party platforms, identify the working capital adjacencies demanded by customers, and apply disciplined build, buy or partner economics. Funding expertise is defensible; sole control of the customer interface is less assured.

6 Implications for fintechs

SCF fintechs may find attractive expansion opportunities in standard payments and invoice workflow services because these touch the larger universe of nonfinanced invoices. Payment fintechs can deepen their proposition through financing choice, supplier analytics and liquidity products. Neither adjacency guarantees success. New capabilities bring compliance, implementation, support and economic complexity.

The defensible fintech is more likely to excel at orchestration, supplier adoption, specialized analytics, implementation or a particular market need than to outspend banks and enterprise vendors building every function internally. Providers should distinguish features that differentiate the core experience from commodity functions that can be sourced efficiently.

PlusAdvance provides an example of complementary supply chain finance and commercial payment capabilities. Its publicly described Card2Account service, developed with Mastercard, lets buyers use virtual cards while suppliers receive bank transfers. Its broader offering includes supplier financing and discounting. These examples establish strategic adjacency, not comparative product superiority or realized client outcomes. [13–15]

7 Build, buy or partner: an executive decision framework

Criterion	Build	Buy	Partner
Best reason	Differentiate core product	Accelerate entry with talent and installed base	Add complementary capabilities quickly
Principal risk	Time and development cost	Integration and valuation risk	Dependency and fragmented accountability
Strategic control	Highest if successful	High, after integration	Contractual and shared
Economic question	Will adoption justify investment?	Is incremental value above purchase cost?	Is shared margin worthwhile?
Practical test	Pilot narrow use case	Validate synergy and retention	Test customer journey and service levels

The decision should be driven by the source of differentiation and the unit economics of eligible transaction flows. Provider count alone is not a measure of success. In many markets a controlled, interoperable ecosystem will be superior to full vertical integration.

8 A practical economic model

Consider a hypothetical buyer with $1 billion of annual addressable supplier spend. Assume 20% is eligible for card based arrangements and a further 25% for bank funded early payment. Those pools could overlap: eligibility must be established at invoice level to avoid double counting. For each candidate transaction, management should compare financing expense, discount or rebate income, operating cost, payment timing, supplier acceptance cost and any effect on risk or cash flow.

An illustrative metric is annual net value = incremental financing or discount benefit + net payment income + measurable processing savings − financing cost − program fees − incremental operating and control costs. Cash flow released through term extension should be disclosed separately from accounting income; it is not itself revenue. Supplier impact and tax or accounting treatment require independent assessment.

This exercise frequently challenges simplistic product selling. A card rebate that looks attractive before processing costs and supplier acceptance is not necessarily the best outcome. Similarly, an SCF program with substantial theoretical capacity but low supplier participation may produce less value than a smaller, well executed alternative.

9 Strategic risks and counterarguments

Challenge	Implication / disconfirming evidence
Broader suites do not create integrated workflows	Separate supplier onboarding, fragmented data and independent commercial teams undermine the thesis.
Banks retain economics despite loss of interface	Funding, credit and settlement scarcity may preserve bank returns more than orchestration fees.
Supplier resistance persists	Card cost, discount pricing or reconciliation burden can suppress adoption.
Customer choice favors specialists	Open architecture and competition can make single provider

Challenge	Implication / disconfirming evidence
	ownership undesirable.
Economics are overstated	Compare incremental margins and realized buyer value, not announced payment volume.

10 Three strategic conclusions

For corporates: optimize the financial decision across payment alternatives, preserve optionality and measure realized net benefit rather than headline volume.

For financial institutions: protect the relationship by embedding capabilities where clients make decisions; avoid confusing funding ownership with workflow ownership.

For fintechs: choose adjacencies with attractive unit economics, partner where capabilities are not differentiating, and treat supplier activation as an operating discipline, not a feature.

The next competitive frontier may be the trusted coordination of the financial decision, payment execution and supplier experience. Whether integrated providers or open ecosystems win will depend on net client outcomes, supplier adoption, governance and economics.

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