SCF CAPITAL SOLUTIONS – VALUE PROPOSITION

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SCF Capital Solutions is a developmental financing company with sole focus on SMMEs who supply large businesses.

In Sep 2015, together with the DBSA Green Fund and SEFA, we launched the a Fund to finance SMMEs who are Service Providers in environmental projects such as rooftop solar, energy efficiency, water management and waste management.

Many Enterprise and Supplier Development Programs have not delivered results because even SMMEs in ESD programs do not get bank financing, because banks want collateral.

SCF Capital Solutions believes that where you have a Large Business that supports SMMEs via an ESD program, SCF can partner to provide working capital to the SMME using a trade finance technique called Supply Chain Finance.
What problem do we solve?

- **THE PROBLEM**: Many SMMEs who have government/SOE/Large business contracts cannot fulfill the contract due to lack of finance. Banks do not finance them because they do not have collateral.

- **THE CONONDRUM**: In transactions where an SMME is a supplier to a Large Entity; the Large Entity pays after delivery and the SMME’s Suppliers require payment upfront (before releasing goods to the SMME).

- **MIND THE GAP**: This creates a working capital funding gap for the SMME. **We bridge the gap**

- **UNSUCCESSFUL ESD PROGRAMS**: This lack of working capital is a big problem for SMMEs and many fail to fulfill their contract because of it.

- **PARTNER WITH US**: SCF Capital Solutions seeks to partner with Larger businesses and their ESD partners to finance SMMEs in this situation.
About the finance

**Qualifying projects**
- Registered company with valid FICA documents for company and directors
- Must have a signed contract
- Must present invoices from Supplier
- Show track record or technical partner
- Show good project (not business) plan
- We do credit checks on the Buyer.
- Payment into joint-account
- Transaction must be profitable

**Product features**
- **Short term**: Facility must be fully repaid within 6 months
- **No monthly payments**: Payments are linked to cash flows from the contract.
- **No collateral** is required from the SME
- Maximum facility amount of R5 million
- **Facility is priced monthly**, i.e. the quicker the delivery and payment, the lesser the finance cost
Value proposition

For the Large Entity

- Truly successful ESD programs: By financing the SMME, we solve one of the key constraints to successful ESD programs
- No additional financial risk: You do not incur additional financial risk by implementing the program. You only pay if SMME delivers as contracted
- You do not sacrifice quality: We bring in a technical partner where required.
- Stable SMME supply Chain: You can rest assured your SMME suppliers will always have money to deliver
- Optimizing own working capital ratios: You don’t have to sacrifice your financial performance ratios, you continue implementing your optimum DPOs without. We can even extend your DPOs
- Social development goals: We help you meet your social development goals

For the SMME

- Pure transaction cash flow-based funding: No own contribution, no collateral
- Sustainable financing: Our rates are at the lower end of unsecured lending
- Start-ups qualify: A start-up with good technical and business support qualifies
- Technical support: We can arrange technical support for your sustainability