

Royal Enfield finds a solution with C2FO to offer its suppliers fair and affordable access to liquidity on demand

Royal Enfield (RE), the world's oldest motorcycle brand, is a global leader and an iconic brand name in the mid-sized motorcycle market. Resilient and accessible, RE's motorcycles are a testament to traditional craftsmanship and modern technology.



"Switching from traditional supplier financing programs to a digitally powered financing system was crucial for us to meet the evolving needs of our supplier partners and further strengthen our partnerships. With the help of C2FO, we achieved this objective smoothly and made our supplier financing programs more efficient and effective."

**Krishna M, Head Financial Controller,
Royal Enfield**

About Royal Enfield

As part of its DNA, RE strives to deliver high value to its customers through extensive knowledge and deep engagements with its suppliers, adopting operational excellence and global quality standards, building efficient supply chains, etc. Long-term value creation aligned to its strategic objectives and core values is of utmost importance for RE. One of the key tenets for long-term value creation at RE is having supplier relationships at the highest levels of trust. To promote the long-term financial health of its supplier partners, RE has always been at the forefront of adopting newer solutions that can address the financing requirements of its partners.

The Challenge

Like most of the leading automotive companies, RE deployed multiple financing options through traditional providers like banks and non-banks to support the financing needs of its supplier partners. With the growing scale and size of business, these traditional programs started getting more fragmented, operationally complicated and document-intensive. Some of these financing programs also became nonresponsive to evolving needs of suppliers to bring more digital enablement and competitive pricing into their financing structures.

Suppliers started to feel the pressure of lack of flexibility, low level of control, too many papers leading to transactional friction, etc., thus leading to low supplier engagement. RE's team started believing that the kind of experience their partners were going through did not align with RE's core values. Additionally, being manual and non-integrated into their suppliers' business systems meant day-to-day running around for RE teams to address frequent errors, reconciliation issues and supplier complaints.



RE was looking for a solution that could:

- Create a best-in-class service experience for its suppliers – easy, seamless and digital.
- Provide access to cost-effective and competitive financing options that were both responsive and respectful to unique supplier needs.
- Drive automation and process efficiency, thereby reducing the day-to-day transactional friction on both RE and the suppliers' teams.
- Bring transparency, reliability, flexibility and control in the operational running of the program.

The Solution

After a thorough evaluation of multiple financing options covering both traditional and fintech solutions, RE chose to partner with C2FO. RE's highly proficient team led the deployment of C2FO's flagship Dynamic Discounting solution – a highly flexible and 100% digital solution to support the evolving needs of its supplier partners. C2FO's global standards, highly customized approach, understanding of supplier ecosystem flexible, market-driven pricing, and fully digital solution set

“Our flagship Dynamic Discounting solution, a highly flexible and 100% digital solution, empowered RE to effectively fulfill the changing needs of its supplier partners. It enabled RE’s suppliers to get increased visibility into their cash flows through a single unified interface.”

Basant Kaur, Managing Director, C2FO India

perfectly matched with what RE and its supplier partners needed. With a fully automated solution through seamless and secure connectivity with RE’s accounting and business systems, C2FO created a single unified interface for the suppliers to view, act and monitor their cash flows from RE. It allowed RE to customize the program structure to suit its Accounts Payable (AP) and Payment workflows without disrupting any of its existing processes. C2FO’s program also supported RE teams in reaching their financing and working capital goals efficiently. At the same time, the program provided a complete audit trail of transactions and supplier interactions for both the RE and Supplier teams.



100% Digital Solution



Offers Unmatched Flexibility



Seamless and Secure Connectivity

C2FO’s intuitive Buyer and Supplier portals (including the mobile app) provided the right digital experience that RE endeavored to bring to both its internal teams and supplier partners. C2FO’s dedicated Account Management and Supplier Relationship team hand-held the suppliers to smoothly transition from the traditional programs onto C2FO, in line with the ethos of RE.

C2FO’s high-tech and high-touch approaches were creating a clear win-win for both RE and its supplier ecosystem.

The Results

Supplier Delight – RE’s C2FO program’s ‘two-clicks-to-cash’ and ‘effortless and hassle-free onboarding’ process coupled with the support of specialized supplier relationship managers ensured best supplier adoption rates.

Supplier Empowerment – Having visibility into their cash flows with an assurance of timely payment reinforced supplier trust in RE’s C2FO program. Supplier ability to individually decide the time and amount of financing by themselves and not by banks or RE proved a very empowering and beneficial solution for all the suppliers. While this was a key attraction for the large component makers, the empowerment angle also brought in a great trust factor for several small-scale suppliers of RE.

Operational Excellence – Transition from a manual to a fully automated process created operational excellence across multiple functions of RE like Strategic Sourcing, Supply Chain Operations, Accounts Payable, IT, and Treasury. Data analytics and insights further added to creating the right collaboration between these interconnected core functions.

Scale and Impact – Within a few months of launch, the program created a sizeable adoption of over 50% (supplier registrations), creating an impactful benefit for both suppliers’ and RE’s business. While the program was creating meaningful savings for both RE and suppliers, it allowed both teams to spend time on business issues. Through its C2FO program, RE had once again proven its commitment to support its diverse supplier partners from large strategic suppliers to the MSMEs.

Digital Agility – Deployment of the C2FO program brought about digital agility in several areas of RE’s workflows. RE’s C2FO program was a future-ready platform that could complement next-generation digital innovations in the P2P, AP and Payments ecosystem. RE teams expect to leverage their C2FO program to create sharper insights and business intelligence in their supply chain operations.

Scaling to Eicher Group – Having proven value at RE, the company’s leadership teams decided to scale the C2FO program benefits to their entire group. The RE team quickly replicated the success at their other leading group company, i.e., Volvo Eicher Commercial Vehicles Ltd. (VECV) within the

first year of the launch of RE’s C2FO program. A similar migration of multiple traditional programs was undertaken by VECV teams, which also led to a fast-track technical implementation of the C2FO program in a record 17 days.

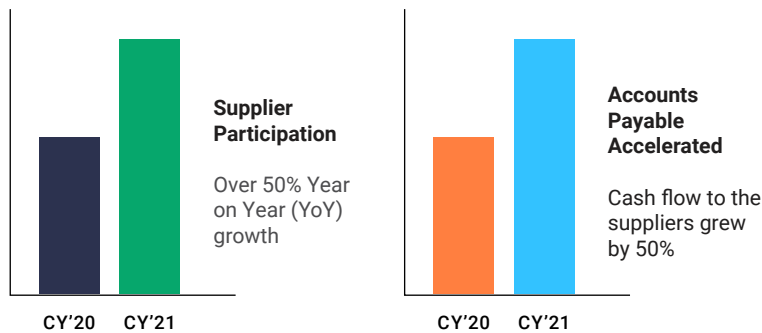


“C2FO’s seamless and fully digital financing solutions helped us optimize our working capital and manage our business operations properly during the pandemic. We were able to transition to a hassle-free digital financing experience swiftly and smoothly with the help of C2FO’s relationship managers.”

Manal Farooq, Marvel Gloves Industries

Summary

Amidst business disruptions brought by lockdowns and other business challenges, RE's C2FO program was a testament to the company's commitment to stand by its suppliers and stay at the forefront of digital transformation in their ecosystem. For OEMs such as RE, the C2FO program acts as a strategic lever to build competitive advantages and value in the face of several business and supply chain disruptions. They have well understood the need to have a proven solution to support a critical part of their business, i.e. the supplier's relationships, and also maintain visibility into the health of the supply chain and hygiene of the processes around it.



1. Strong supplier participation with over 50% Year On Year (YOY) growth – reflective of the benefit the C2FO program creates for the supplier ecosystem.
2. RE has been supporting its suppliers to meet their working capital requirements by accelerating its invoice payments. A testament of this is upward of 50% growth record over the last two years.
3. Suppliers that use C2FO received their payments early by an average of 35 days, supporting their working capital needs.



About C2FO

C2FO is the world's on-demand working capital platform, providing fast, flexible and equitable access to low-cost capital to nearly 2 million businesses worldwide. Using patented Name Your Rate® technology and a suite of working capital solutions, companies can get paid sooner by the world's largest enterprises — unlocking billions in risk-free capital. C2FO's mission is to ensure that every business has the capital needed to thrive and has delivered more than \$220 billion in funding around the world. Founded in 2008 and headquartered in Kansas City, USA, with offices around the globe, C2FO is working to build a better, more inclusive financial system every day.

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