



SAP  
Innovation  
Awards 2019



# SAP Innovation Awards 2019 Entry Pitch Deck

FinessArt – Credit Disrupted

Arteria Technologies Private Limited

THE BEST RUN



# Arteria FinessArt –Digital Lending Story



[https://youtu.be/NFD\\_aF9rr\\_w](https://youtu.be/NFD_aF9rr_w)

# FinessArt – Credit Disrupted

## Arteria Technologies Pvt Ltd

ARTERIA®

### “Quote”

“India’s extended supply chain network is mostly comprised of small and medium scale businesses (SMEs) with majority entities transacting their business needs through traditional channels. Un-organized character of the stakeholders makes Supply Chain Financing a least practiced process by Banking Institutions in India.

Through Arteria’s FinessArt platform we are witnessing a radical shift in the existing business equations. The new initiative is bringing greater level of financial empowerment and transparency”

**Sriram Kanuri**  
Chief Executive Officer  
Arteria Technologies

### Challenge

- Extended supply chain entities are still driven by traditional offline processes in India, leading to inefficiencies in the whole supply chain network
- Supply Chain Financing is one of the least penetrated space by the banking system in India, because of un-organized nature of its entities.

### Solution

- Arteria’s FinessArt platform is a “Supply Chain – FinTech” product built on SAP Cloud Platform with an in-built integration to Corporate’s SAP ECC/S4H environments.
- The lending module in FinessArt enables the Bank to provide automated Channel Financing to SMEs with real-time regulatory checks, reconciliation and allowing it to **convert its business model to a flow-based lending from traditional Balance sheet lending**

### Outcome

- The solution brings the whole supply chain network comprising “Corporates, SMEs and Financial Institutions” under one connected eco-system
- The solution is extended by bank to six of its corporate customers benefiting Small and Medium Businesses (SMEs) connected in the Corporate’s extended supply chain network.

**Real time supply chain  
financing to SME’s :  
Time benefit – Reduced from  
2 weeks to 30 minutes**

**Direct interest benefit of 0.5 -  
1% (for the corporate):  
for the collections through  
digital supply chain financing**

**Min 10%-15% reduced interest  
cost for SMEs on Annualized  
basis**



## Partner Information

### One of the Largest Private Bank Group in India

Arteria's FinessArt Platform used by Bank for Digital Lending



“There are about 50 million small, and medium-size enterprises (SMEs) operating in India today. Though SMEs act as a leading contributor in terms of nation's employment and gross domestic product (GDP), lack of access to formal credit creates a significant barrier to their growth. Roughly 40 percentage of India's SME lending is done through the informal sector, where interest rates are at least twice as high as the formal banking market. Bank understands that a digitally enabled technology platform to connect Corporate and Small and Medium scale entities will completely transform the SME business equations with respect to banking in India. I am sure our partnership with Arteria Technologies and SAP has the power to take business to a completely new level.”

Digital Partnerships Head

One of the Largest Private Banking Groups India



## Business Challenge & Objectives

- Extended supply chain entities outside the Corporates are majorly unorganized SMEs in India
  - Most of the SMEs are still driven by traditional off-line processes leading to inefficiencies in the whole supply chain
  - Un-organized character of the stakeholders results in pain points such as
    - Gaining access for affordable credit
    - Attracting and Retaining customers
    - Lack of transparency across supply chain
- 
- Bringing the whole supply chain network comprising “Corporates, SMEs and Financial Institutions” under one connected eco-system.
  - Replacing the traditional supply chain practices by digital model
  - Empowering the SMEs with access to formal/affordable credit
  - Reduce the risk of Financial institutions by data driven early warning and control systems
  - Increased ROE for Corporate by digitizing and optimizing the supply chain



## Project / Use Case Details

Digital Lending built on Arteria's FinessArt is extended by Bank to six of its Corporate customers to digitize the supply chain and lending facility.

### Empowering through SAP:

- FinessArt built on SAP Cloud Platform comes with an in-built integration to Corporate's SAP ECC/S4H environments and offers an out-of-box digitization for the Supplier and Distribution networks to corporate, apart from digitizing the process across the networks it offers various services such as Digital lending etc., This ensures that the network gets a common user experience, ease of transaction and Banking services etc., all from the same single window.

### The Changed Perception

- A traditional supply chain company is the new Fintech platform by adopting innovative technologies from SAP.

### A Clear Differentiator

- A Single platform for suppliers, dealers, corporates to interact in an extended eco-system including financial institutions, transporters digitizing business processes using the power of SAP Cloud platform.

### FI's now Connecting the Un-Connected with lowered risk:

- Digital lending facility for SMEs within 30 mts while reducing the NPA's is a digital leap for financial institutions (FI's) while extending the reach multifold.





# Benefits and Outcomes

## Business / Social

- Supply chain lending timelines reduced from more than **2 weeks to less than 30 Min**
- **Zero reconciliation process across the network.**
- Direct **interest benefit of about .5 – 1%** (for the corporate) for the collections through digital supply chain financing.
- Instant payments leading to better treasury throughput) / Collection cycles (reduced DSO)
- **Enabling organizations to expand distribution channel** digitally with shortest possible time to market
- Extended reach to new set of customers for Financial Institutions
- Reduced NPAs and Early warning and control system

## IT

- Single IT system connecting “Corporates – Bank – SMEs “
- Increased visibility across the supply chain network including financials, for data driven decision making
- Built-in Corporate SAP to Distributor to Retailer Connectivity
- Built-in Corporate SAP to Supplier Connectivity
- Compatibility with SAP ECC to S4 HANA systems of Corporate

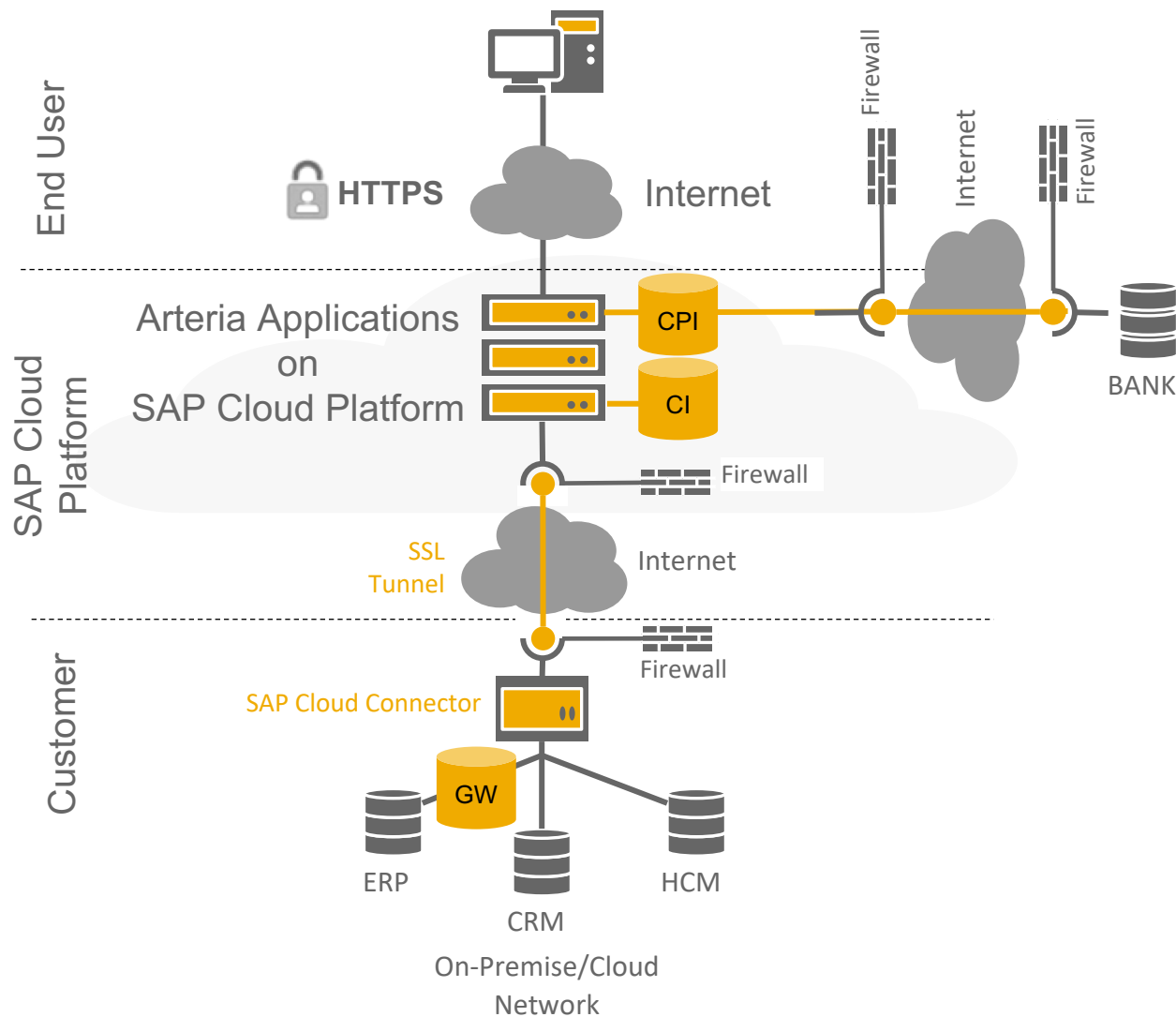
## Human Empowerment

- Empowering the SMEs with access to digital formal supply chain financing
- **Min 10-15% reduced interest cost for SMEs** – by replacing informal financing options with digital channel financing.
- Instant credit disbursement for SMEs by digitizing complete loan appraisal and application cycle
- Bringing the supply chain including financing under Organized sector
- **Creation of jobs** empowered by digital supply chain financing at SMEs

**“WIN – WIN – WIN” scenario for Bank , Corporate and Extended Supply Chain Entities (SMEs)**



# Architecture



## Details

- CI = SAP Cloud Identity, Authentication Service
- CPI = Cloud Platform Integration
- GW = Gateway

### Note:

- GW can be embedded or Hub or From Cloud as well
- SAP ERP (ECC OR S4HANA) will also connect to CPI using Public IP





## Deployment

Date of Deployment or POC: July 2018

Number of live users: 6000 Scaling to over 50000 currently

### SAP Technologies Used:

SAP Cloud Platform	Live
SAP HANA	Live
ABAP in SAP CP	Test
API Economy	Test
Machine Learning and Artificial Intelligence	Test

Server Processor: Unknown

Linux Distribution: Unknown



# Emerging Technologies and Use Cases

The following Emerging Technologies and use-cases are part of the project and describe the contribution

	Technology or Use Case	Yes/No	Contribution to Project
<b>1.</b>	Machine Learning / Artificial Intelligence	Yes	
<b>2.</b>	API Economy / Integrate the Intelligent Enterprise	Yes	
<b>3.</b>	Cloud Native / Event Based Architectures	Yes	
<b>4.</b>	Extending the digital core with SAP CP / ABAP in SAP CP	Yes	