Supply Chain Finance
Call for papers for Special Topic Forum in Journal of Purchasing and Supply Management
(Manuscript Submission: March 31, 2017)

Supply chain finance is a concept that lacks definition and conceptual foundation. However, the recent economic downturn forced corporates to face a series of financial and economic difficulties that strongly increased supply chain financial risk, including bankruptcy or over-leveraging of debt. The mitigation and management of supply chain financial risk is becoming an increasingly important topic for both practitioners and academics leading to a developing area of study known as supply chain finance. There are two major perspectives related to the idea of managing finance across the supply chain. The first is a relatively short-term solution that serves as more of a "bridge" and that is provided by financial institutions, focused on accounts payables and receivables. The second is more of a supply chain oriented perspective – which may or may not involve a financial institution, focused on working capital optimization in terms of accounts payable, receivable, inventory, and asset management. These longer-term solutions focus on strategically managing financial implications across the supply chain.

Recent years have seen a considerable reduction in the granting of new loans, with a significant increase in the cost of corporate borrowing (Ivashina and Scharfstein, 2010). Such collapse of the asset and mortgage-backed markets dried up liquidity from industries (Cornett et al., 2011). In such difficult times, firms (especially those with stronger bargaining power) forced suppliers to extend trade credit in order to supplement the reduction in other forms of financing (Coulibaly et al., 2013; Garcia-Appendini and Montoriol-Garriga, 2013). The general lack of liquidity, in particular for SMEs, has directly affected companies' ability to stay in the market, reflecting on the stability of entire supply chains. There are many other factors influencing liquidity and financial health that are critical to assess.

These trends and the continued growth of outsourced spend have contributed considerably to the need for and spread of solutions and programs that help to mitigate and better manage financial risk within and across the supply chain. One of the most important approaches is what is being termed Supply Chain Finance (SCF) (Gelsomino et al., 2016; Pfohl and Gomm, 2009; Wuttke et al., 2013a). SCF is an approach for two or more organizations in a supply chain, including external service provides, to jointly create value through means of planning, steering, and controlling the flow of financial resources on an inter-organizational level (Hofmann, 2005; Wuttke et al., 2013b). It involves the inter-company optimization of financial flows with customers, suppliers and service providers to increase the value of the supply chain members (Pfohl and Gomm, 2009). According to Lamoureux and Evans (2011) supply chain financial solutions, processes, methods are designed to improve the effectiveness of financial supply chains by preventing detrimental cost shifting and improving the visibility, availability, delivery and cost of cash for all global value chain partners. The benefits of the SCF approach include reduction of working capital, access to more funding at lower costs, risk reduction, as well as increase of trust, commitment, and profitability through the chain (Randall and Farris II, 2009).

Literature on SCF is still underdeveloped and a multidisciplinary approach to research is needed in this area. In order to better harmonize contributions of a more financial nature with ones coming from the perspective of purchasing & supply chain, there is a need of developing theory on SCF, starting with a comprehensive definition of those instruments or solutions that constitute the SCF landscape. SCF has been neglected in the Purchasing & Supply Management (PSM) literature, although PSM plays a critical role in managing finance within the supply chain. PSM uses many of the processes and tools that are part of a comprehensive supply chain financial program to better manage the supply base, in terms of relationships, total cost of ownership, cost strategies and pricing volatility (see for example Shank and Govindarajan 1992). Reverse factoring is a technique which is also widely used to manage the supply base (Wuttke et al, 2013a) as is supplier development and investment in suppliers.

Research on SCF from a PSM perspective needs further development. In particular, empirical evidence would prove useful for testing existing models and hypotheses, addressing the more innovative schemes and investigating the adoption level and the state of the art of different solutions. Research is also needed for the development of a general theory of supply chain finance. There is also limited research that focuses on the link between supply chain financial tools and supply chain financial performance. Finally, considering the plurality of solutions that shape the SCF landscape, literature should move towards the definition of holistic instruments to choose the best SCF strategy for a supply chain, considering its financial performance and the contextual variables (e.g. structure, bargaining power) that characterize it.

Potential topics

The purpose of this special topic forum is to publish high-quality, theoretical and empirical papers addressing advances on Supply Chain Finance. Original, high quality contributions that are neither published nor currently under review by any other journals are sought. Potential topics include, but are not limited to:

- Theory development, concept and definition of SCF
- Taxonomy of SCF solutions
- Strategic cost management across the supply chain
- Total cost of ownership
- Life cycle assessment and analysis
- Commodity risk and pricing volatility
- Supply chain financial metrics and measures
- Cost-benefit analysis
- Relationship implications of supply chain finance
- Tax and transfer pricing in the supply chain
- Foreign exchange and global currency and financing risk
- Financial network design and financial supply chain flows
- The organizational perspective on SCF and the implementation process
- Role of innovative technologies to support SCF ((e.g. block chain, internet of things)
- Supply chain collaboration for improved supply chain financial solutions
- SCF adoption models, enablers and barriers
- SCF from different party perspectives (especially suppliers and providers)
- SCF and risk mitigation and management

Manuscript preparation and submission

Before submission, authors should carefully read the Journal's "Instructions for Authors". The review process will follow the Journal's normal practice. Prospective authors should submit an electronic copy of their complete manuscript via Elsevier's manuscript submission system (https://ees.elsevier.com/jpsm) selecting "STF Supply Chain Finance" as submission category and specifying the Supply Chain Finance topic in the accompanying letter. Manuscripts are due March 31, 2017 with expected publication in June of 2018.

FOR COMMENTS OR QUESTIONS PLEASE CONTACT THE GUEST EDITORS:

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