

## **SCG Announces Success of One Year with Blockchain-Powered Procurement Solution that Proves Benefits of Cost Reduction, Time Saving and Streamlined Operations for Buyers and Suppliers**

SCG announced the success of one year of Blockchain implementation to enhance the procurement process. The platform has significantly decreased the day-to-day operation by 56,000 minutes when the number of suppliers using the platform reaches an anticipated target. The solution also contributes to a cost reduction by 70% and enables a more streamlined operation. SCG aims to make the platform more generally available for 2,400 partners from currently 240 partners by 2020. SCG has encouraged organizations to consider implementing digital technology to help develop companies and partners' operations, maximize value and competitiveness.

Mr. Thammasak Sethaudom, Vice President-Finance and Investment & CFO of SCG, said, "The SCG's adoption of Blockchain technology as a digital procurement platform or Blockchain Solution for Procure-to-Pay (B2P) shared with business partners is a part of digital transformation through collaboration with knowledgeable and experienced partners like "Digital Ventures," a leading financial innovation developer, to deliver new technologies that further increase operational efficiencies and speed.

After one year of sharing B2P platform with over 240 partners for managing purchase orders of raw materials, supply, spare part and services, the performance outcome has been satisfactory to SCG and partners alike. Not only Blockchain technology helps ensure procure-to-pay reliability and engage involved parties to develop an efficient ecosystem with high security as data files are securely encrypted and immutable without permission of relevant authorities, but it also minimizes errors as the platform can automatically analyze activities in various areas more accurately and precisely.

The B2P platform helps shorten the overall procurement processing time by 50% or from 70 minutes previously into only about 35 minutes per cycle. The platform speeds up invoice and verification process, which reduces the average time spent on the procurement of 1,600 items per day by 56,000 minutes if achieving the target number of partners accessing the platform. The solution can also contribute to a cost reduction by 70% compared to the manual process, and make a lean process possible which allow employees to add more value to organizations and

stakeholders, e.g., developing digital technology skill or leveraging data to enhance business's operations.

Furthermore, partners can enjoy significant benefits of B2P platform with SCG as the solution is equipped with the ability to track the status of transaction in real-time and enable on-time payments. Apart from faster and more accurate verification process, the platform also allows partners to request invoice financing on B2P system with higher speed, improving business's liquidity. SCG has continuously engaged partners to promote a better knowledge and understanding and offered consultation from setup to troubleshooting to ensure streamlined operations on B2P platform for all parties across the procurement supply chain.

SCG is in the process of developing a new function on the B2P platform to expand a broader range of procurement categories, setting to make it available for 2,400 partners by 2020. SCG is also studying on a solution to sell products and services to customers and distributors, covering bill presentment, collection, payment and in-depth customer data analysis in various areas on top of introducing new experiences to customers.

However, for the developments of multiple systems, SCG will proceed with caution to ensure that the system is highly secured and can prevent fraud while guaranteeing data reliability and system robustness. To raise confidence of all relevant parties, the B2P platform is developed on world-class technology, R3 Corda for Enterprise.

Mr. Thammasak concluded, "Although the implementation of Blockchain or other technologies can enhance efficiencies and accuracies in business operations, what organizations need to consider is the application to help generate reliable data. Organizations that are new to these technologies should implement them with existing ecosystems, especially with partners who are familiar with such technology in order to adapt it faster and optimize budgeting. Essentially, the key is that learning and executing has to be fast. The faster the organization moves, the more benefits we can reap from rapid technological progression and changes. If any organization wish to start using new technologies like B2P platform, SCG is ready and willing to share our knowledge to interested organizations."

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