Driven by increased competition in global supply networks and the need to stabilize supply chains in times of economic turmoil, supply chain finance (SCF) emerged from business practice. This concept aims at linking supply chain and financial management. Despite some constitutional publications in SCF, the discipline is at an early stage of development and especially the specific SCF solutions have not been researched deeply. Neither a broadly recognized definition of SCF has been established, nor are the factors influencing SCF implementation clearly identified. Moreover, the financial impact of supply chain processes is still widely ignored or merely managed from a single-firm perspective. As a result, companies miss out the chance to gain competitive advantage through adapting an inter-organizational financial strategy.

To make a contribution to SCF research, this thesis investigated the interferences of financial and supply chain aspects in the application of supply chain finance. It was researched how companies use this approach to create value and gain competitive advantage. To do so, the varying understandings of SCF were structured and a robust theoretical framework based on the current SCF theory was constructed. Subsequently, the theory was compared with applied SCF solutions in business practice through case studies. The case analysis focused on the financial and industrial sector with SCF activities in Europe and China. By considering these two perspectives and turning towards emerging markets, the whole spectrum of influences on SCF could be covered. Finally, by complementing the academic framework with the findings of practical evidence, implications for the existing SCF theory were derived. The results present a comprehensive overview of the status quo of SCF.

In a first step, a profound literature review was conducted to outline the current theoretical SCF framework. An overview of the principles of supply chain management and corporate financial management revealed the deficiencies of each subject and pointed out the need for the integrated discipline supply chain finance. Based on these fundamentals, supply chain finance was described as instrument to lower the overall supply chain cost of capital. The theoretical framework of supply chain finance was presented, including the levers of SCF, traditional and new actors, and a selec-
tion of SCF solutions. However, it could be noticed that the definition of SCF as well as the framework are still under development, affected by the dynamic supply chain environment.

The second part analyzed the business practice of SCF. Six in-depth case studies of both the financial and industrial sector presented the SCF approaches of Deutsche Bank, Commerzbank and HSCB as well as Siemens, Bayer and METRO. To gain deep insight into the applied SCF practice, face-to-face and telephone interviews with SCF experts of the case companies were conducted in Germany, Switzerland and Shanghai.

In the case studies, the companies revealed their SCF strategy and activities, their understanding of SCF, the characteristics and the influencing factors according to the different European and Chinese environments. Through the twofold perspective of the financial and industrial sectors, a holistic picture of SCF could be presented. Subsequently, evidence from the case studies was derived by comparing the different approaches in a cross-case analysis. Common drivers and characteristics were condensed to a case synthesis, which represented the empirical findings of business practice.

Firstly, the results showed a broad understanding of SCF. The understanding is dependent on the perspective, which can be academic, financial, or industrial. The academic view on SCF is the broadest, being diverse and including several interconnections to supply chain management, as for instance just-in-time or vendor-managed-inventory concepts. The financial perspective sees SCF as purely related to financial topics, but has the end-to-end supply chain view offering solutions for both the supplier and buyer side. The narrow industrial perspective reduces SCF to supplier finance. In all cases, an indispensable supporting element of SCF solutions was the use of IT infrastructure as enabler for SCF.

Secondly, SCF theory was developed further. The initial theoretical framework presented a static SCF concept that simply aims to lower the overall supply chain cost. After the case analysis, this static concept was extended by taking into account that SCF is a dynamic process that interacts with the changing needs for finance in the supply chain. SCF can be driven by both the supply chain partners and supply chain events at a certain point in time. In addition, central element of SCF solutions is the difference in capital costs between the supply chain companies. The providers of financing solutions increasingly adapt the supply chain performance as base for the costs of finance. Hence, the leverage of good credit ratings of the financially strongest companies of the supply chain enables the implementation of SCF on a big scale.
With increasing knowledge about supply chain transactions, financial institutions move from the simple role as funding party to active players in the SCF market, working closely with the supply chain partners, as well as giving important advice and contributing to the definition of SCF.

Moreover, the case studies demonstrated that the actors and their individual characteristics determine the form of SCF solution. The solutions can be catered towards the financing of suppliers or distributors, or can finance the inventory in transit. However, the most prominent SCF solution of the analyzed business practice was supplier finance, generally implemented through reverse factoring solutions. In all cases, the initial action of implementing reverse factoring was taken by the focal company, which can either pursue single-firm or supply chain goals that are closely connected to the dependencies within the supply chain. First of all, it provides liquidity to the supply chain members at a favorable cost of finance and reduces working capital of the focal company. Secondly, it can also be used to strategically support suppliers in financial need. This aspect, not only to reduce cost, but to individually interact with suppliers in financially distressed situations, can help to secure resources and leads to a stabilization of the entire supply chain. Hence, SCF can be seen as strategic instrument of risk management, which offers interesting fields of further research.

Besides the need and the effectiveness of the SCF solution, which depends on the financial strength of the focal company and its supply chain partners, another important aspect is the regulatory and financial environment that the SC members are based in. The comparison of Europe and China showed that the financial environment determines the need and the attractiveness of SCF, whereas the legal environment determines the specific SCF settlement structure and thus the effort or ease of implementation. Moreover, to ensure a successful implementation of SCF solutions, the information about SCF and its benefits should be communicated clearly along the supply chain towards the suppliers. The participation of suppliers is still a challenge and can only be enhanced by ensuring that they understand and notice the benefits. Here, the business practice should further improve and find ways to increase the success of supplier onboarding.