

# (Market) Size Matters: Unravelling the Literature on Supply Chain Finance Market Sizing

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# Purpose of this Project

## Unravel the literature on supply chain finance market sizing

The industry is thirsting for some form of SCF market size quantification.

Various figures are used to showcase a finance provider's own market share or highlight the market's future growth potential.

### **But which numbers exist and how do we know these numbers are reliable?**

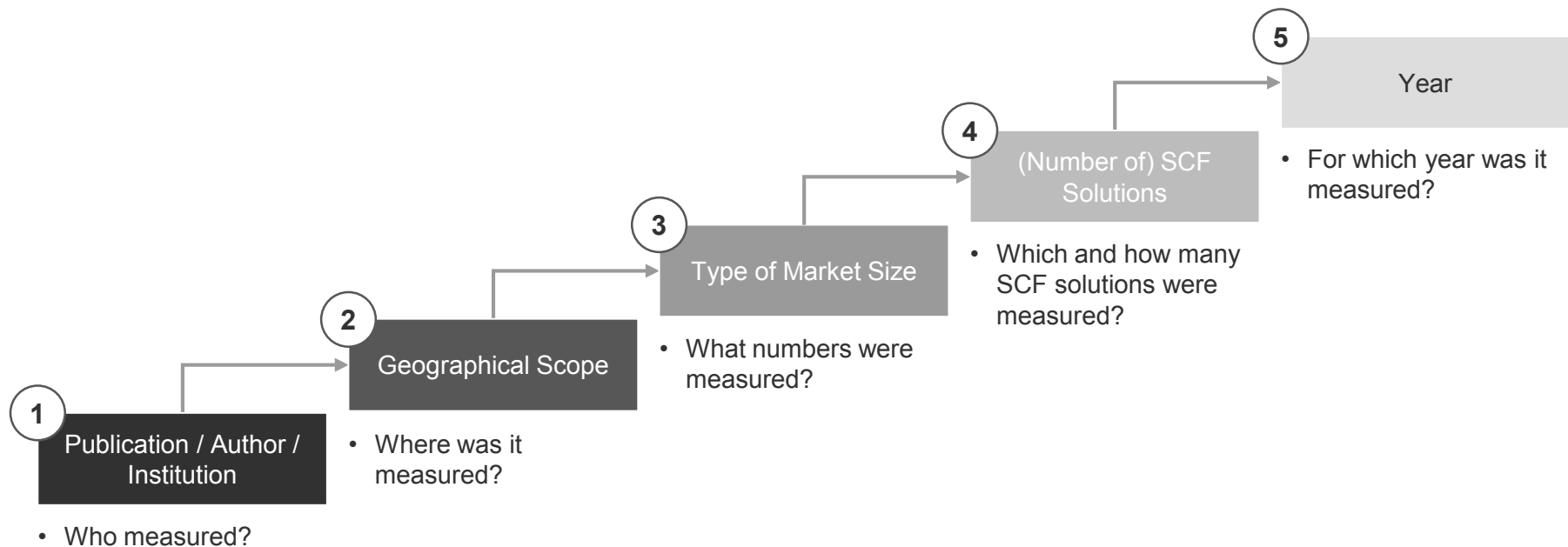
The goal of this project was to

- Provide a comprehensive overview of the available literature that defines the size of the global supply chain finance (SCF) market,<sup>1)</sup>
- Depict what the available data says in terms of global SCF market size, and
- Assess what this quantification is worth.

1) As of 30 June 2021

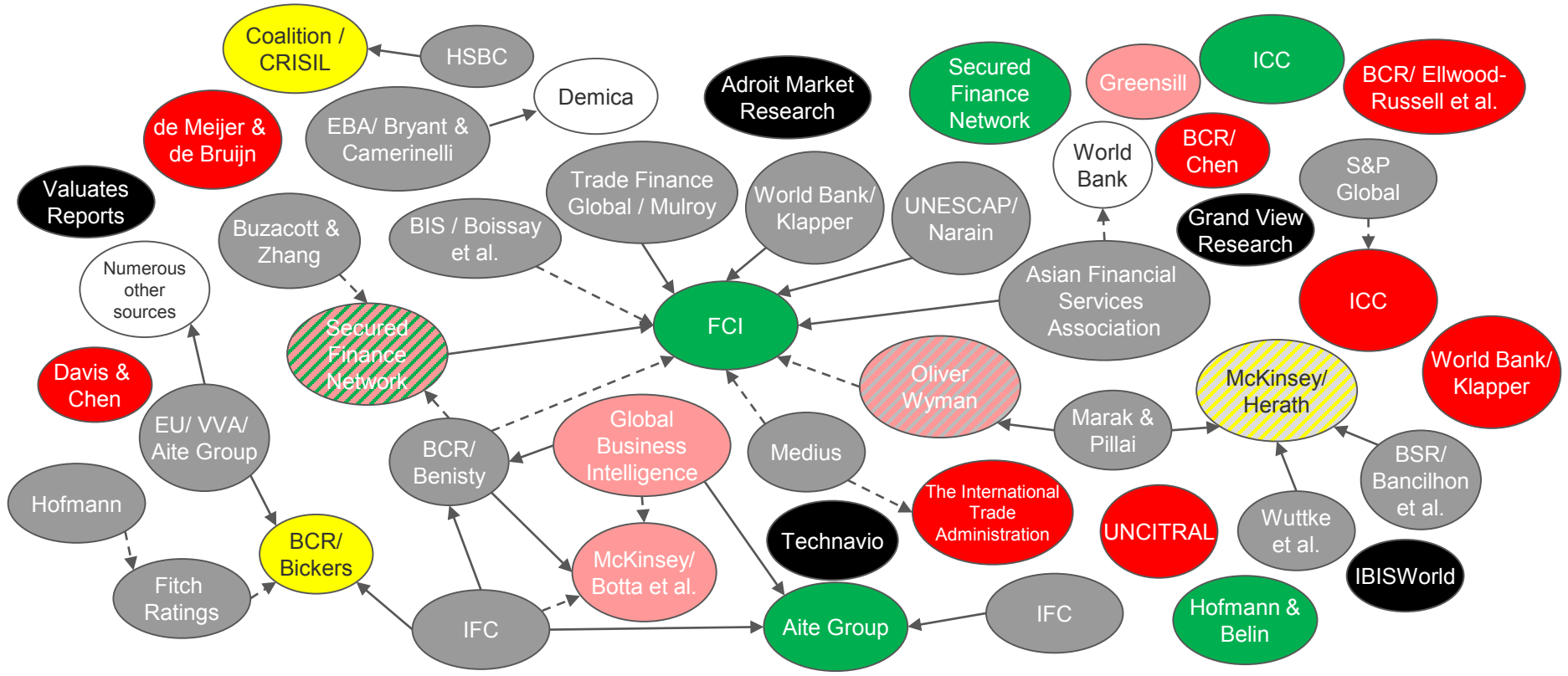
# Key Aspects for Measurement of the SCF Market Size

Data selection process based on 5 variables



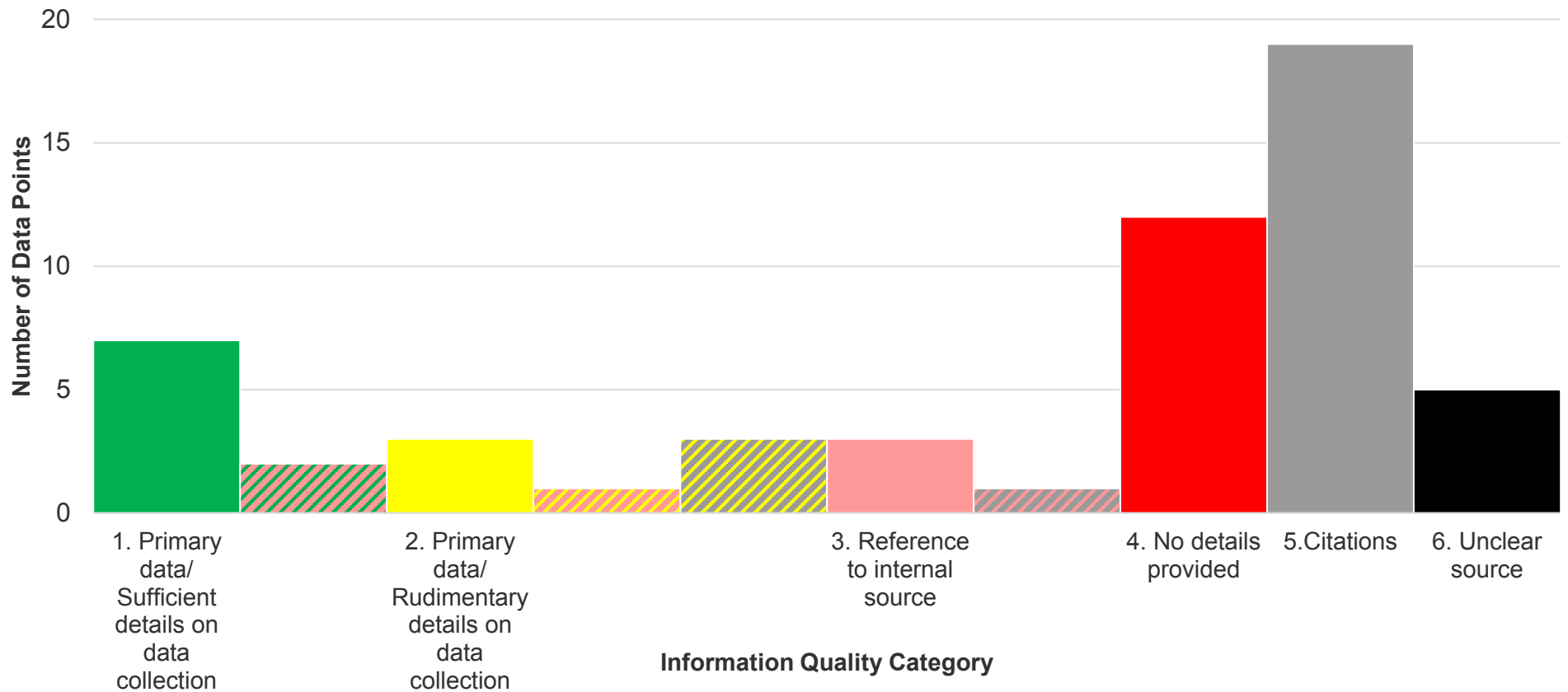
# 1) Publication / Author / Institution

Total of 56 data points gathered across 41 publications



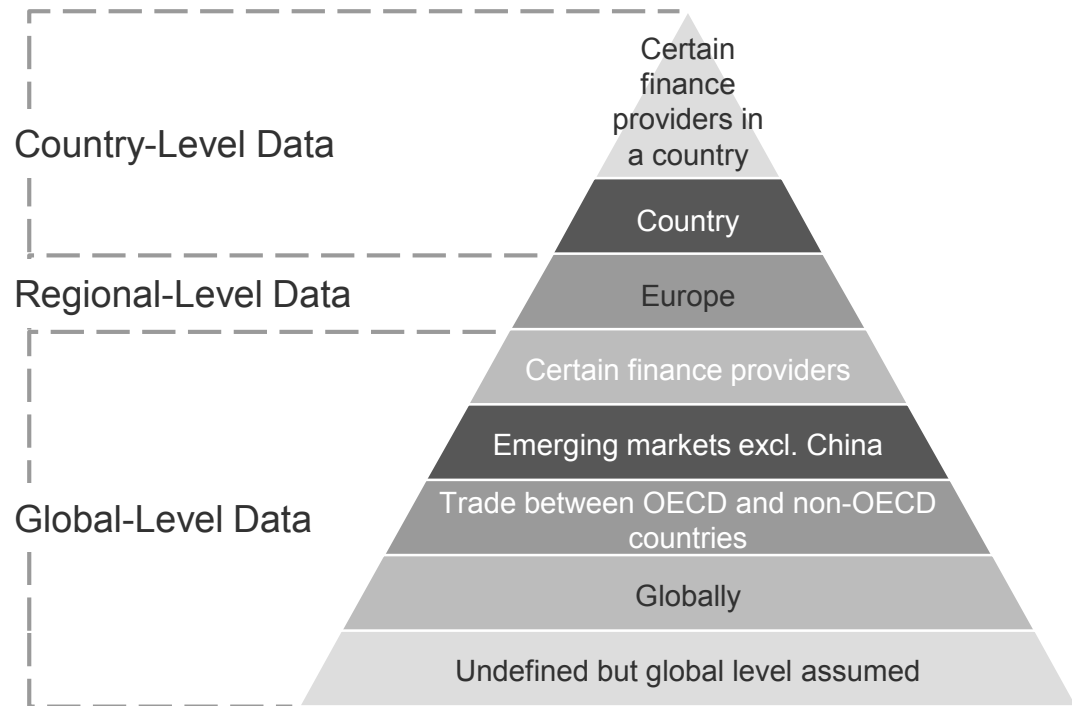
# ① Publication / Author / Institution

## 6 categories of information quality



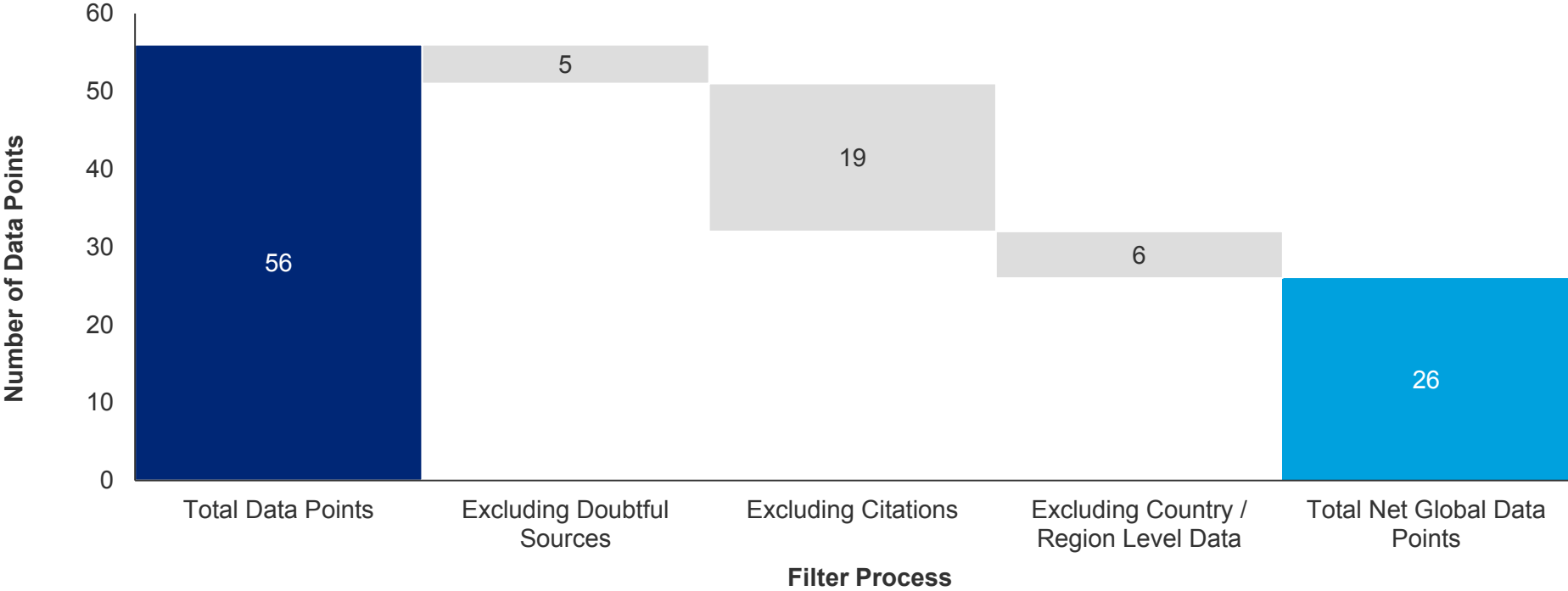
## ② Geographical Scope

Geographical reach of each market size figure taken into account



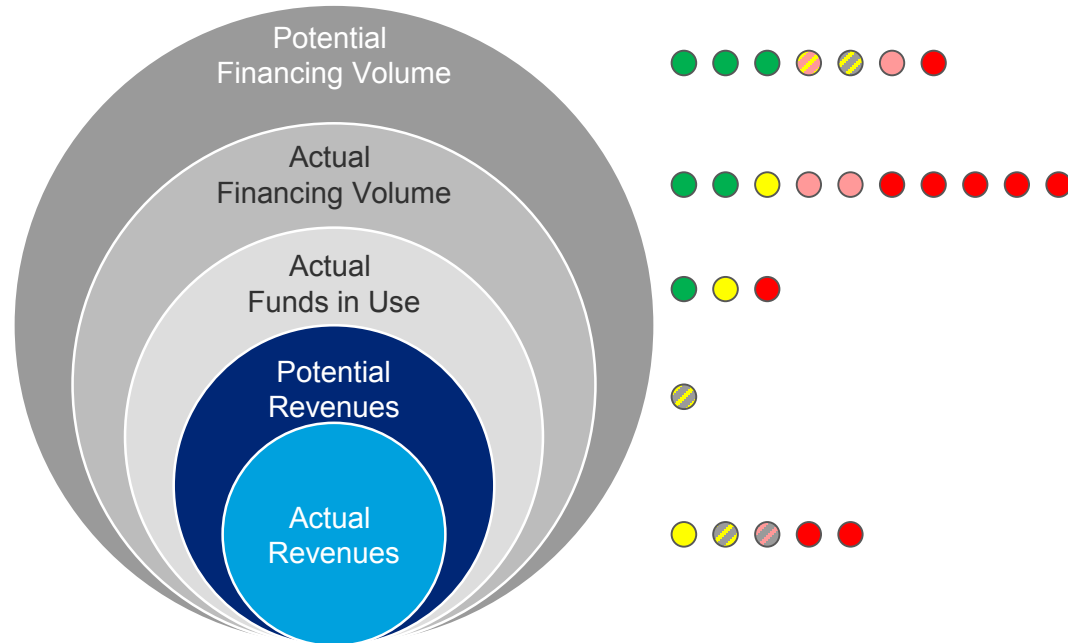
# Filter Process

Final data base of 26 data points selected for further assessment



### 3 Type of Market Size

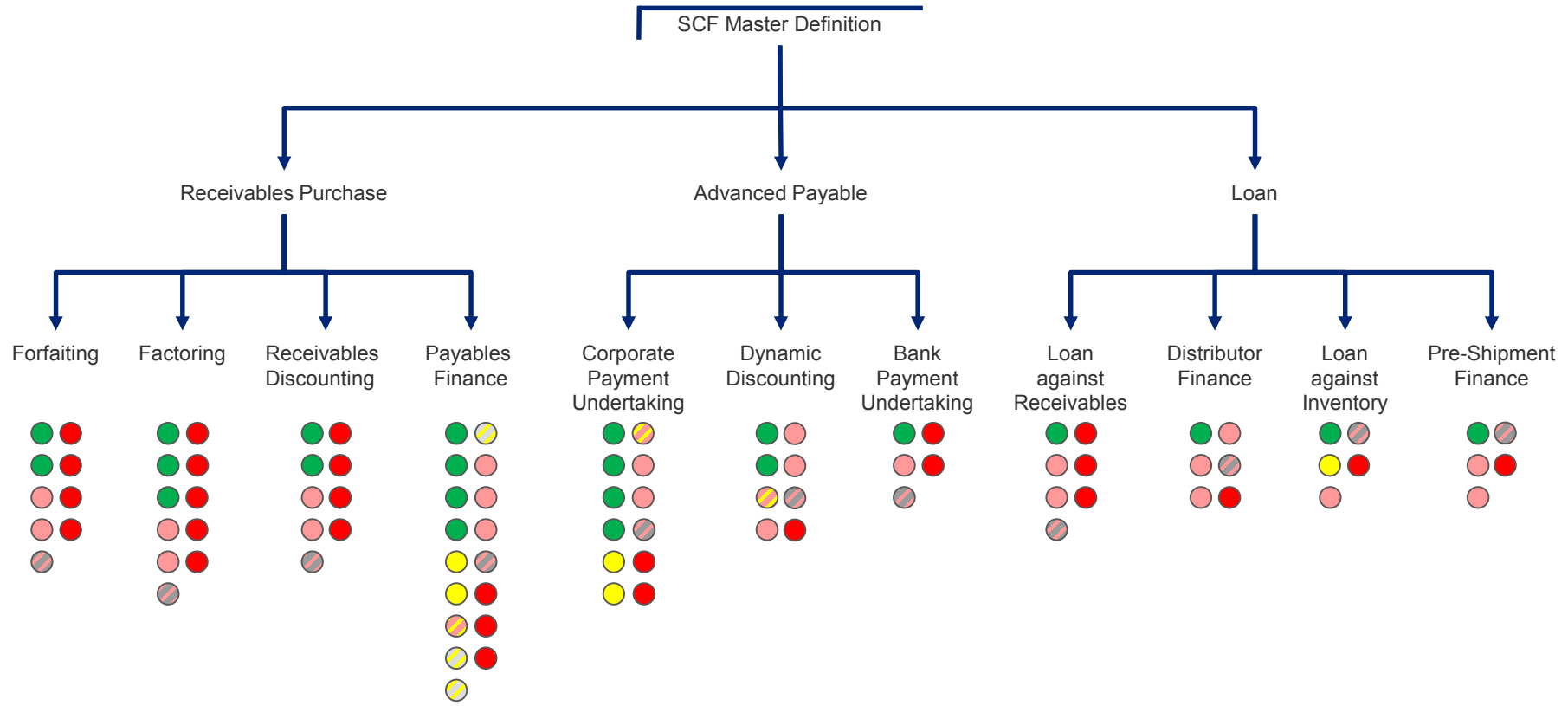
Actual and potential financing volume as the predominant market size figure across all 26 data points





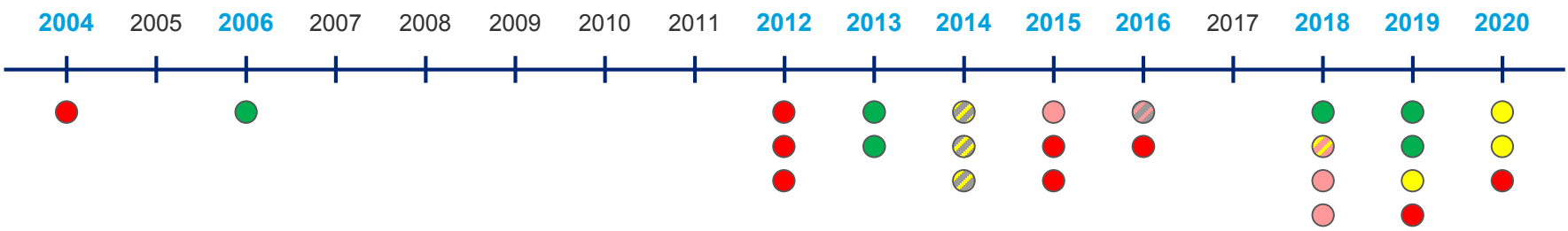
# 4 (Number of) SCF Solutions

Emphasis put on buyer-centric solutions, followed by receivables purchase instruments



# 5 Year

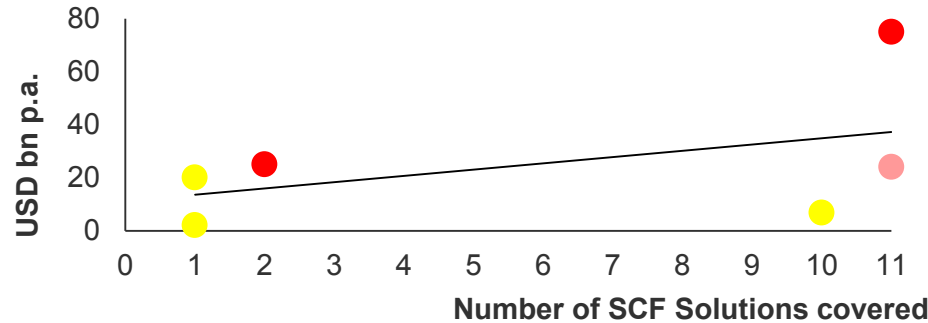
Most market size figures refer to the past decade



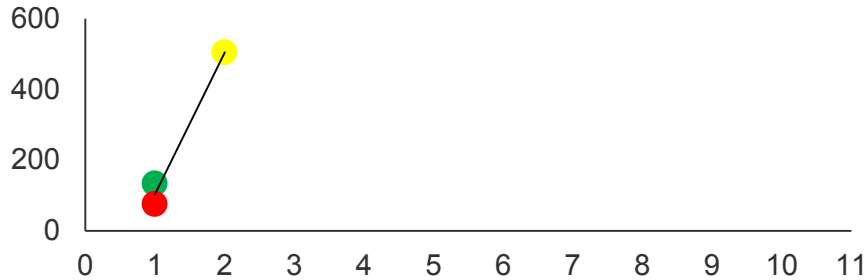
# Global SCF Market Size

Existing market size figures form a highly fragmented and heterogeneous picture

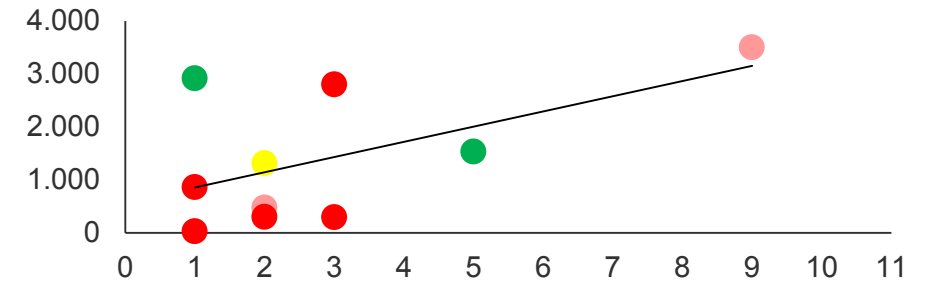
**Actual (Potential) Revenues**



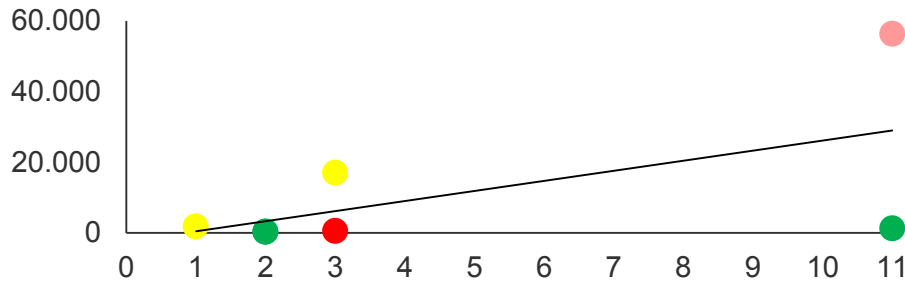
**Actual Funds in Use**



**Actual Financing Volume**



**Potential Financing Volume**



# Key Takeaways

**Again:** The industry is thirsting for some form of SCF market size figures without scrutiny.

**However,** available data on the market size of supply chain finance lacks either

- Sufficient **background on data collection and methodology,**
- Comprehensiveness in terms of **SCF solutions taken into account,**
- **Global geographical coverage,** or
- **Up-to-dateness.**

## Publications worth highlighting

1. **FCI's** often cited **annual review** forms a good basis for further analysis but remains vague on the definition of financing products included in its analysis and covers only a fraction of the SCF universe.
2. **Aite Group** makes a promising attempt to provide some form of methodology to quantify the market size but focuses on buyer-centric solutions, only.
3. **McKinsey** and **BCR** remain a popular source for market size figures but provide very limited information on data gathering and methodology.

Not a single source provides reliable, comprehensive and up-to-date global SCF market size figures.

# Next Steps

## Build on the existing data infrastructure

### **Use existing Methodologies**

Assess the methodologies used by certain publishers and take it as a basis for an own attempt to quantify the SCF market size

### **Extend ICC's Trade Register Scope**

Extend the scope of the ICC Trade Register to further relevant SCF techniques in use

### **Speak the same Language**

Agree on the SCF terminology as the universal language and common basis for any further attempts to quantify the size of the SCF market

### **Better understand existing Publications**

Better understand such publications that seem promising but lack details on data collection and methodology

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