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**ĐÁNH GIÁ HIỆU QUẢ ÁP DỤNG CÁC GIẢI PHÁP TÀI CHÍNH CHUỖI CUNG
ỨNG DÀNH CHO DOANH NGHIỆP NHỎ VÀ VỪA TẠI VIỆT NAM**

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Tóm tắt

Đối với các doanh nghiệp nhỏ và vừa (SMEs), tài trợ vốn đóng vai trò vô cùng quan trọng. Tuy nhiên, phần lớn các doanh nghiệp này hiện đang gặp nhiều trở ngại trong việc tiếp cận và sử dụng nguồn tín dụng truyền thống vì nhiều lý do khác nhau. Trong bối cảnh đó, Tài trợ Chuỗi cung ứng (SCF) – giải pháp khai thác các mối quan hệ liên kết giữa các doanh nghiệp nhằm tối ưu hóa dòng tiền – đã xuất hiện và được xem là một phương thức thay thế hiệu quả. Mặc dù SCF ngày càng nhận được nhiều sự quan tâm tại Việt Nam, song số lượng doanh nghiệp có khả năng tiếp cận và khai thác giải pháp này vẫn còn hạn chế.

Thông qua việc phân tích bức tranh toàn cảnh về SCF tại Việt Nam, nghiên cứu này hướng tới mục tiêu cốt lõi: đánh giá hiệu quả ứng dụng của ba công cụ SCF chuyên biệt, bao gồm: tài trợ hàng tồn kho (inventory financing), tài trợ chu kỳ đơn hàng (order cycle financing), và tài

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trợ khoản phải thu/bao thanh toán ngược (reverse factoring financing) tại các doanh nghiệp nhỏ và vừa Việt Nam. Dựa trên kết quả nghiên cứu, các hàm ý chính sách và giải pháp thực tiễn sẽ được đề xuất nhằm hỗ trợ các bên liên quan thúc đẩy việc áp dụng hiệu quả mô hình SCF tại Việt Nam.

Từ khoá: Tài trợ Chuỗi cung ứng (SCF), Bao thanh toán ngược (RFF), Tài trợ hàng tồn kho (IF), Tài trợ chu kỳ đơn hàng (OCF).

MEASURING THE EFFECTIVENESS ON APPLICATION OF SPECIFIC SUPPLY CHAIN FINANCE SOLUTIONS FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN VIETNAM

Abstract

With small and medium-sized enterprises, financing is important. However, a lot of them are having trouble using and obtaining traditional credit for a variety of reasons. Supply Chain Finance (SCF), which uses inter-firm relationships to improve cash flow, has emerged and is seen as an alternative in that context. Although SCF is currently receiving more attention in Vietnam, not many businesses are able to access and utilize it.

This study has a main objective through analyzing the Vietnamese SCF landscape: to assess the efficiency of the use of three distinct SCF instruments: inventory financing, order cycle financing, and reverse factoring financing in small and medium-sized Vietnamese enterprises. Through the results of the study, insights can be provided for parties involved to strengthen the SCF application in Vietnam.

Keywords: Supply Chain Finance (SCF), Reverse Factoring Finance (RFF), Inventory Finance (IF), Order Cycle Finance (OCF).

CHAPTER 1. INTRODUCTION

1.1. Reason for study

SMEs are very significant in the globalized economy, yet they are mostly plagued by shortages of credit and unstable financing. Obi et al. (2018); Lekakos & Serrano (2016) provide evidence for this. SCF presents an effective solution to these challenges through better cash flow, cost reduction, and increased collaboration on supply chains. More & Basu, 2013; Randall & Theodore Farris, 2009 Second, in Vietnam, SCF is developing through new policies and international cooperation but still faces problems related to high cost, low transparency, and weak digital infrastructure. Nguyen et al. (2023)

This study aims to understand how SCF can be effectively utilized by SMEs in Vietnam, focusing on the effectiveness of Reverse Factoring, Inventory Financing, and Order Cycle Financing within Vietnam's current context. In line with this, the research would therefore seek to answer the question: How effective is the application of these three SCF instruments by Vietnamese SMEs in practice?

CHAPTER 2. LITERATURE REVIEW

2.1. Definition

2.1.1. Financial Flows in Supply Chain

According to Li et al. (2022), a supply chain is an interconnected network that involves the movement of goods, data, and money between businesses. Product and information flow

optimization has long been the focus of research, but financial flow integration has advanced more slowly (Bailey & Francis, 2008). Research has looked at the connections between inventory control, trade credit, and short-term financing coordination (Goyal, 1985; Jaber & Osman, 2006). But the majority are still theoretical and unrealistic, ignoring practical problems like a lack of trust and difficulties identifying a partner (Wuttke et al., 2016; Daudi et al., 2016).

2.1.2. Risks Related to Supply Chain Financial Flows

As businesses dealing with liquidity shocks depend on trade credit to make up for decreased bank financing, financial risk management in supply chains has drawn more attention (Klapper & Randall, 2011). Financial risk is increased by these practices, as defaults affect both buyers and suppliers (Raddatz, n.d.; Boissay & Gropp, 2007). Although both quantitative and qualitative methods are used in supply chain risk management research, financial flow risks are frequently ignored (Lin & Zhou, 2011; Yu et al., 2009). In order to support SMEs, it is necessary to channel liquidity through big, cash-rich companies in order to address "trade credit default chains" (Boissay & Gropp, 2007). This is consistent with the idea of Supply Chain Finance (SCF), which connects theory to practical financial flow management (Seifert et al., 2017).

2.1.3. Different Perspectives on Supply Chain Finance

Research on supply chain finance (SCF) focuses on two primary viewpoints: supply chain-oriented and finance-oriented (Caniato et al., 2016). With an emphasis on payables, receivables, and cash flow optimization using instruments like reverse factoring, the finance-oriented perspective views SCF as short-term financial solutions driven by buyers and financial institutions (Lamoureux & Evans, 2011; Wuttke et al., 2013b). The supply chain-oriented view, on the other hand, emphasizes cooperation and working capital efficiency among partners by extending SCF to encompass inventory and asset-based financing (Pfohl & Gomm, 2009; Randall & Farris II, 2009). This viewpoint emphasizes how vendor-managed inventory systems or joint investments can maximize liquidity without significantly depending on outside lenders (Hofmann, 2005). Despite these insights, a significant disconnect remains between theory and practice, as existing models often assume ideal conditions and overlook real-world barriers (Wuttke et al., 2016). Therefore, this study aims to bridge that gap by providing additional empirical evidence on the practical adoption and implementation of SCF in Vietnam.

2.1.4. Financial performance of an enterprise

When it comes to "financial performance", it means we are mentioning how well a company can produce income and utilize its assets which are derived from the business technique. It is also the tool to evaluate and compare the businesses operating in the same industry. To assess the financial performance of a company, we can use various measurements together through many indicators, some are common and some are exclusive to each sector. Through them, we can assess the financial performance of a company through its profitability and overall financial health

2.2. The global researches on Supply Chain Finance

Building on this foundation, research on Supply Chain Finance (SCF) has evolved to classify solutions, identify benefits, and analyze factors influencing adoption. SCF solutions are commonly divided into three strategic groups: traditional financial solutions (e.g., Reverse

Factoring), technology-enabled solutions (e.g., Dynamic Discounting), and collaborative supply chain solutions (e.g., VMI, Consignment Stock) (Caniato et al., 2016). A complementary approach identifies measurable components such as Inventory Financing, Working Capital Optimization, Reverse Factor Financing, Fixed Assets Financing, Logistics Financing, and Order Cycle Financing (Ali, 2024). Adoption motivations vary from improving a firm's financial performance to strengthening the entire supply chain (Liebl et al., 2016). Factors influencing adoption include digitalization, bargaining power, financial attractiveness, collaboration, and trust, with digitalization serving as the key enabler for implementing advanced SCF solutions (Hofmann & Belin, 2011).

2.3. The impact of Supply Chain Finance on Finance Performance of Enterprises

2.3.1. Working Capital Management and Cash Conversion Cycle Theory (CCC)

The Working Capital Management theory originates from financial management literature, considered a financial management theory, emphasizing that managing short-term assets and liabilities effectively is crucial in order to balance liquidity and profitability. The Cash Conversion Cycle was first introduced to model the relationship among cash flows, inventory, accounts receivables, and accounts payable to measure liquidity efficiently by Richards & Laughlin (1980). This has provided the quantitative foundation and casual logic of CCC Theory. Then, Deloof (2003) had first confirmed that CCC significantly affects firm profitability by applying CCC as a framework to demonstrate the importance of efficient working capital management. Gill, Biger & Mathur (2010) expanded Deloof and concluded that effective working capital management, which is represented by a shorter CCC, improves Return on Assets (ROA) and Return on Equity (ROE), which are two indicators of a firm's financial performance. Wuttke et al. (2013) applied CCC Theory to the field of Supply Chain Finance (SCF), demonstrating that SCF mechanisms can optimize CCC and thereby increase supply chain value creation.

The formula to calculate CCC includes 3 components below, which jointly determine the length of the Cash Conversion Cycle, thereby measuring how efficiently a firm manages its working capital.

$$\text{CCC} = \text{DIO} + \text{DSO} - \text{DPO}$$

DIO (Days Inventory Outstanding): The average number of days inventory is held before it is sold

DSO (Days Sales Outstanding): The average number of days required to collect receivables from customers

DPO (Days Payable Outstanding): The average number of days a company delays payment to its suppliers.

2.3.2. The application of SCF in improving firm's financial performance

Supply Chain Finance helps businesses optimize cash flow and strengthen supplier relationships, which then improves overall performance. On the financial aspect, SCF improves firms' financial performance, which is proven through enhancing Net profit margin and return on equity - two important financial indicators of a company, optimizing cash flow, fostering collaboration and reducing risk. Previous research (Wuttke et al., 2013; Abbasi et al., 2018; Gelsomino et al., 2016) proved that supply chain finance (SCF) is correlated with

accounts payable and accounts receivable. In Vietnam - a country is continuing on industrializing and Supply Chain Management is crucial in helping company achieve competitiveness. Effective Supply Chain Management can help companies reduce costs across all stages of the supply chain, while Supply Chain Management will improve the logistics, waste reduction, lower the production costs, increase profit margins, etc.

In some industries, liquidity and physical asset investments hurt the financial performance. Using SCF is a solution which helps companies improve the profitability and working capital for suppliers and consumers (Raghavan & Mishra, 2011). It is proven that the financial performance (through ROA - return on assets and ROE - return on equity) of the company is affected by using Supply Chain finance solutions. As a result, it can enhance the competitiveness of the company in the sector.

2.4. The current research of Supply Chain Finance in Vietnam and the research Gap

2.4.1. General context

Over the past decade, a substantial body of literature has examined the concept and application of SCF globally. These earlier studies primarily focused on theoretical frameworks, cost-benefit analyses, and case-based evaluations of specific SCF instruments, consistently highlighting SCF's potential to enhance liquidity, optimize working capital, and strengthen supply chain stability for small and medium-sized enterprises (SMEs).

However, the majority of these investigations were conducted in developed economies, leaving a significant research gap regarding how SCF functions in transitional markets such as Vietnam (Zhou, Chen & Lee, 2022). In Vietnam, SCF remains at a nascent stage of development, and SMEs continue to face considerable challenges in accessing affordable and sustainable working capital, largely attributed to limited institutional support, technological constraints, and low levels of awareness (Nguyen et al., 2021).

2.4.2. Current research on SCF in Vietnam

Vietnamese studies demonstrate a growing conceptual understanding of SCF but are mostly conceptual or definitional in nature, except the identification of potential benefits. Empirical evidence, in form of studies on SMEs in Danang, shows that while knowledge regarding SCF is restricted, access to banks is inadequate, and buyer-supplier linkages are weak. In addition, digital SCF strategy using the SWOT matrix has propounded exploiting strength factors such as young workforces with Industry 4.0 technologies, while addressing legal and structural weaknesses. Further, Sustainability-oriented SCF (SOSCF) studies identified that its adoption is primarily aimed at meeting buyers' reputation and compliance needs. The main SCF tools used in Vietnam include Reverse Factoring, Inventory Financing, and Order Cycle Financing. Regarding factoring, which remains sluggish, partly because Vietnamese law has inconsistent legal regimes and merely treats factoring as credit extension. In response, it has issued a number of updates, including Circular No. 02/2017/TT-NHNN and amendments to Circular No. 21/2004/TT-NHNN, which address issues like factoring and allow transactions in foreign currencies. As posited by the IFC, there is a growing demand for inventory and goods-in-transit financing, particularly in agriculture, with risks in commodity value and liquidity. The IFC recommends enacting a Warehouse Certificate Law to improve collateral and enhance legal certainty. Overall, the experts from Vietnam have posited Order Cycle Financing as the

important one to be able to meet working capital requirements against the growing export order receipt.

2.4.3. Research Gaps

Although international initiatives such as the IFC–SECO Supply Chain Finance Program have aimed to improve Vietnam’s SCF infrastructure, the country still lacks localized empirical evidence to inform effective policies and practices (PwC Vietnam, 2020).

This study conducts a quantitative assessment of SCF adoption by adapting and validating an existing international SCF scale and comparing the effectiveness of Reverse Factoring (RFF), Inventory Finance (IF), and Order Cycle Finance (OCF). The findings contribute to understanding SCF development in emerging economies and support both theoretical and practical advancement (Hofmann, 2005; Gelsomino et al., 2016).

2.5. Research hypothesis development

2.5.1. Reverse Factoring Financing (RFF)

An essential SCF solution, reverse factoring financing (RFF) maximizes working capital for both buyers and sellers and has a major effect on the company's financial performance (FP) (Wuttke et al., 2019; Bonzani et al. 2018). RFF provides a number of important advantages: Extending payment terms (RFF1), which raise Days Payable Outstanding (DPO) (Bonzani et al. 2018), improves liquidity, frees up funds for lucrative investments, and directly raises Return on Equity (ROE) and Return on Assets (ROA). This is the buyer's most direct benefit. Additionally, RFF guarantees a consistent cash outflow, allowing the buyer to keep their ideal minimum cash level (RFF2) (Panos Kouvelis & Fasheng Xu, 2021). By increasing asset utilization efficiency, managing this cash buffer reduces the risk of liquidity crises and raises ROA (Sri Mangesti Rahayu, 2019). The firm can monitor credit more closely (RFF3), avoid penalties (Gelsomino et al., 2016), and protect Net Profit Margin because RFF transactions, which are frequently monitored by thirdparty institutions, create a more transparent monitoring mechanism for purchases (Leora Klapper, 2004). Lastly, RFF is essential for maintaining cash inflow and outflow without sacrificing output or sales (RFF4). RFF directly protects and promotes the core components of FP: revenue growth and operating profit by guaranteeing the supplier gets timely payment while the buyer benefits from longer terms, thereby avoiding financial strains that might lead to production halts (Caniato et al., 2016). Based on these analyses, Hypothesis H1 is proposed:

H1: Reverse Factoring Financing (RFF) has a positive correlation on the financial performance

2.5.2. Inventory Financing (IF)

Businesses can obtain and manage their inventory (raw materials, work-in-progress, and finished goods) with the help of inventory financing (IF) (Ali, 2024). IF reduces Days Inventory Outstanding (DIO) by permitting inventory to be used as physical collateral, thereby addressing credit risk and working capital concerns (Gelsomino, 2019). There are various advantages to this mechanism: First off, companies can take advantage of early payment discounts from suppliers thanks to fast, flexible capital (IF1) (Nima Pourmohammadreza, 2025), which lowers the cost of goods sold (COGS) and raises gross profit (R Martini, 2023). Another reason is that IF is seen as less risky (IF2) for lenders than unsecured loans (Gelsomino,

2019; Berger and Udell, 2006), causing borrowing costs for the firms to decrease, and the firm's Cost of Capital to decrease (Fabbri & Klapper, 2016) and Net Income/Profitability to increase (D Easley & M O'hara, 2004). Another benefit is purchasing/credit capacity improvements (IF3) which allow firms to fulfill larger orders, supporting direct business scale-up possibilities (D Isenberg & V Onyemah, 2016), increased Revenues, and Return on Equity (ROE). Last, IF facilitates maintaining adequate inventory levels and suppliers (SK Paul et al, 2016) with the added ability to leverage the inventory to increase sales (IF4) which contributes to Revenues, and Operating Profit (LA Mulure, 2013).

Based on these analyses, Hypothesis H2 is proposed:

H2: Inventory Financing (IF) has a positive correlation on the financial performance

2.5.3. Order Cycle Financing (OCF)

Operational Cycle Financing (OCF) is financing to enable companies to fulfill larger orders, particularly during peak periods (Ali, 2024). OCF alleviates working capital constraints (reducing DSO) across the operational cycle phases (improving Financial Performance). OCF covers both upstream (purchase) and downstream (distribution) activities (Charles Bryant & Enrico Camerinelli, 2013) and has three primary benefits: Providing advance capital to businesses permits them to execute orders efficiently from the time of placement to delivery, thereby significantly reducing the Cash Conversion Cycle (CCC) (OCF1) (Bonzani et al, 2018). OCF reduces supply chain risk by ensuring timely supplier payment and delivery (OCF2) (Caniato et al., 2016), protecting Revenue growth and Operating Profit (M Ostrovsky, 2008). OCF also fills funding gaps between cash out and cash in, allowing businesses to manage their cash flow proactively to avert needing to borrow at high-interest rates in an emergency (RP Boisjoly, 2009), which results in a better Cost of Capital (OCF3) (SP Pratt & RJ Grabowski, 2008). OCF enhances bilateral trust while allowing both the buyer and supplier to gain benefits (Bonzani et al, 2018). The improved partnership (OCF4) allows better terms (E Kaats & W Opheij, 2013) and better performance within the business and at the same time contributes positively to long-term profitability (LA Mulure, 2013). Based on these analyses, Hypothesis H3 is proposed:

H3: Order Cycle Financing (OCF) has a positive correlation on the financial performance

2.6. Proposed research model

The research model shows three SCF solutions affecting the performance of enterprises, including Reverse Factoring Finance (H1 (+)), Inventory Finance (H2 (+)), Order Cycle Finance (H3 (+)). Assessing the statistical relevance of each component in the purchase decision. This study aims to measure and compare the effectiveness of application among three SCF solutions through the performance of enterprises, thus providing information guidelines for those companies who want to achieve better performance.

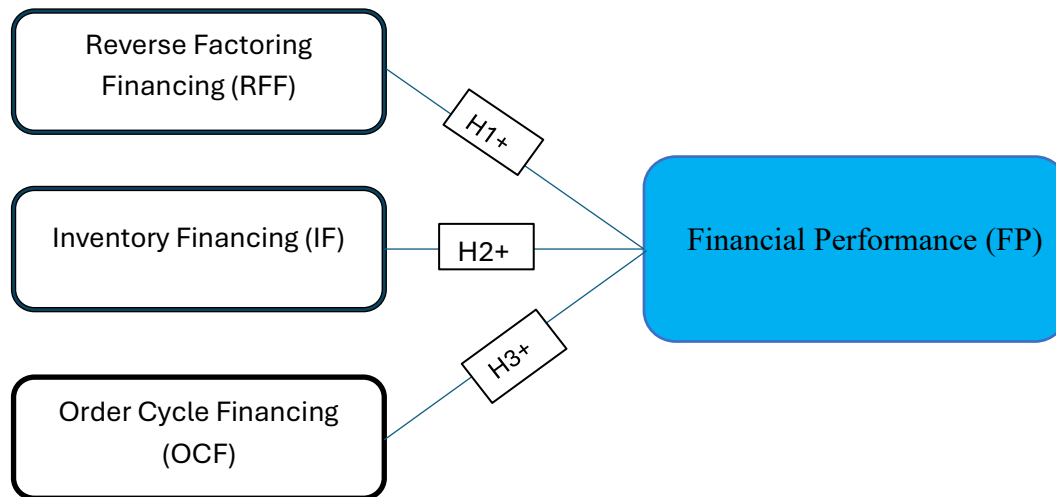


Figure 1. Proposed model

Targeting: Evaluating the extent of effectiveness of the three SCF solutions on the financial performance of SME

CHAPTER 3. RESEARCH METHODS

3.1. Research process

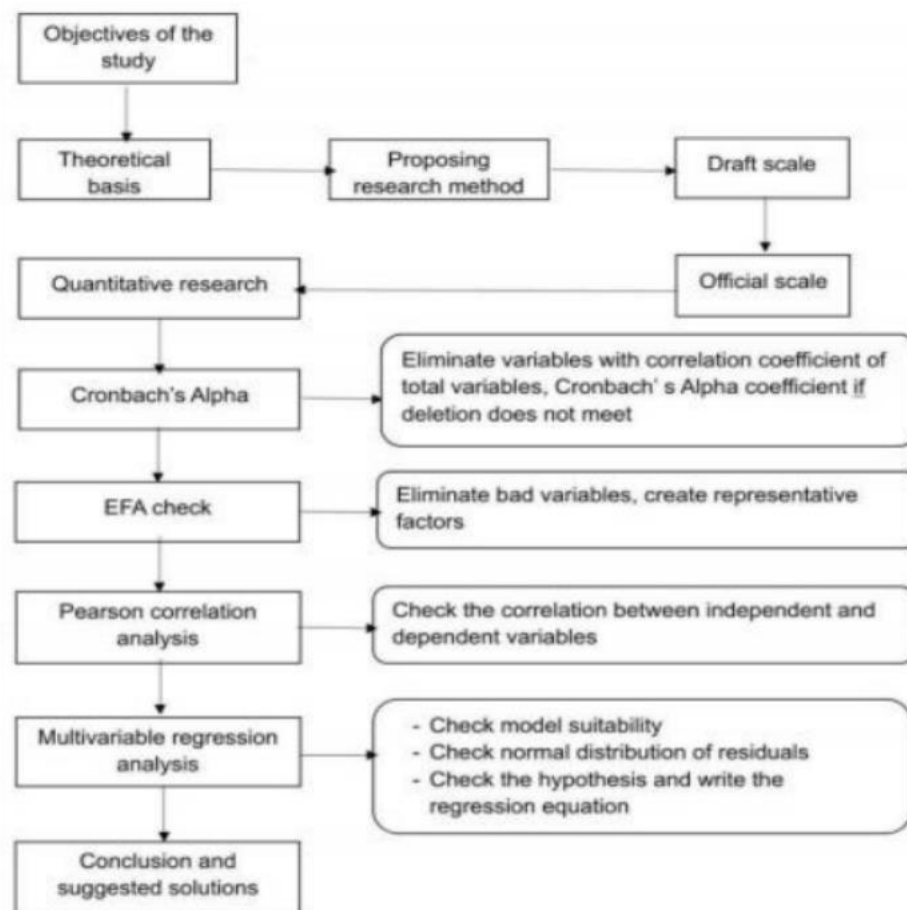


Figure 2: Research process

Source: Author's work

3.2. Research method

In order to conduct our research effectively, the team has used quantitative research approach. We applied a questionnaire form to collect necessary data to gain our research objectives. Our team developed a questionnaire with 10 Likert-scale questions, which used a 5-point scale helping individuals surveyed show their expressions (completely disagree, disagree, disinterest, agree, and completely agree).

3.3. Measurement scale of variables in the research model

3.3.1. Independent Variable

10 Likert-scale questions are inherited from the research of (Ali, 2024), which mentioned six types of SCF solutions. After synthesizing and analyzing existing research in Viet Nam, we determined to choose three elements including: Reverse Factoring Financing (RFF), Inventory Financing (IF) and Order Cycle Financing (OCF) that are suitable to the current Viet Nam context. The scales used to do research about the effectiveness of application of three supply chain finance solutions for small and medium-sized enterprises in Viet Nam. Likert scales with 5 levels from 1 “Strongly disagree” to 5 “Strongly agree” are used in the study.

3.3.2. Dependent Variable

We developed a dependent variable “financial performance” of enterprises through 6 items, which are inherited from various sources. SCF solutions are recognized as financial instruments capable of mitigating risk for the lender, thereby directly reducing the firm's cost of capital (FP1) ((Lixu Li et Al.2022)). Furthermore, numerous studies indicated that the primary benefits of SCF lie in its ability to optimize working capital and manage financial exposure. Specialists in SCF, including Bonzani et Al. 2018, agree that by allowing firms to improve their cash flow (FP2), Cash Flow Supply Chain Finance (SCF) enables firms to improve their cash flow by ensuring firms can decrease their Cash Conversion Cycle (CCC). Likewise, the same source contends that SCF allows companies to increase their financial liquidity (FP3) by releasing capital that is tied up in the supply chain. Additionally, Bonzani et Al. 2018 highlights that SCF can be critical in mitigating financial risk (FP5) related to payments and credit, primarily because of its reliable payment structures. The ultimate purpose of SCF is to achieve financial rewards (LINSEY ADHIAMBO MULURE.2023) found creditable evidence that firms utilizing SCF, build greater profit (FP4) cumulatively, by reducing costs and generating stable revenues off the revolving cash flow structure implied. The claim regarding ultimate usefulness is further substantiated by Kleeamann.2018, who suggested that the total merits of SCF improve a firm's overall financial performance (FP6). This claim is supported by (LINSEY ADHIAMBO MULURE.2023), who tests this proposition and concludes that the aggregated impact of SCF leads to a culminating improvement in the compilation of FP indicators. This particular study uses a Likert scale with 5 levels, where level 1 signifies "Strongly disagree" and level 5 indicates "Strongly agree."

Table 1. Measurement scale

Source: Authors' work

Code	Original items	Source
Reverse Factoring Financing (RFF)		

RFF 1	Reverse factoring helps extend payment terms	(Ali, 2024)
RFF 2	Reverse factoring helps maintain a minimum cash level.	
RFF 3	Reverse factoring helps businesses check and monitor credit.	
RFF 4	Reverse factoring helps maintain the flow of cash in and out without affecting sales and production.	
Inventory Financing (IF)		
IF1	Inventory financing helps improve financial conditions for purchases.	(Ali, 2024)
IF2	Inventory financing is less risky compared to traditional financing.	
IF3	Inventory financing helps enhance purchasing/credit capacity to expand the business.	
IF4	Inventory financing helps to expand firm’s ability to leverage inventory to increase sales	
Order Cycle Financing (OCF)		
OCF 1	Order cycle financing helps businesses receive and process orders efficiently.	(Ali, 2024)
OCF 2	Order cycle financing helps support the purchase and distribution of goods/services to strengthen the supply chain.	
OCF 3	Order cycle financing helps address cash flow management challenges and mitigate risks in the supply chain.	
OCF 4	Order cycle financing helps to strengthen partnerships in terms of financial flows in supply chain cycle	
Financial Performance (FP)		
FP1	Implementing the SCF solution helps to reduce the firm's cost of capital.	(Lixu Li et Al.2022)
FP2	Thanks to SCF, the firm improves its cash flow.	Bonzani et Al. 2018
FP3	SCF helps the firm to increase its financial liquidity.	Bonzani et Al. 2018
FP4	The firm achieves higher profit after adopting SCF.	(Linsey Adhiambo Mulure.2023)

FP5	SCF helps the firm reduce financial risks related to payments and credit.	Bonzani et Al. 2018
FP6	The firm's overall financial performance is significantly enhanced after implementing SCF.	(Kleeman n, 2018); (Linsey Adhiambo Mulure, 2023)

CHAPTER 4. RESEARCH RESULT

4.1. Descriptive statistics of the survey sample

A study of 450 enterprises from various industries in Viet Nam examined the effectiveness of SCF solutions application among Small and Medium-Sized Enterprises . Data was collected via a Google Forms survey, with incomplete responses excluded, leaving 399 valid submissions.

Table 2. Sample information

Source: Authors' work

	Frequency	Percent
Roles		
CEO	40	10.0%
Chief Financial Officer (CFO)	55	13.8%
Finance/Accounting Specialist / Manager	159	39.8%
Supply Chain / Procurement Manager	85	21.3%
Risk Management / Treasury Manager	50	15.2%
Other Employee	10	2.5%
Total	399	100.0%
Business Scale		
1-10	50	12.5%
11-50	130	32.6%
51-200	159	39.8%
201-100	48	12.0%
>1000	12	3.0%
Total	399	100.0%
Industry Sector		
Manufacturing	130	32.6%
Trade / Wholesale	90	22.6%

Retail	35	8.8%
Services / Logistics	95	23.8%
Agriculture / Processing	40	10.0%
Technology / Fintech	7	1.8%
Other	2	0.5%
Total	399	100.0%
Annual Revenue		
< 1 billion VND	15	3.8%
1 – 10 billion VND	130	32.6%
10 - 100 billion VND	190	47.6%
100 – 500 billion VND	50	12.5%
> 500 billion VND	14	3.5%
Total	399	100.0%

The survey is primarily comprised of individuals who specialize in finance and supply chain, especially Finance/Accounting Managers at 39.8 and Supply Chain Managers at 21.3 to enhance the reliability. By industry, the three major industry sectors are: Manufacturing (32.6), Services/Logistics (23.8), and Trade/Wholesale (22.6) which are the industries with the greatest potential for active SCF. Most respondents will be classified as SMEs, 84% earned under 100 billion VND and another 72% had under 200 employees, confirming the study's emphasis on Vietnam's SME approvers, who have the most SCF action potential.

4.2. Analytical data from key questions

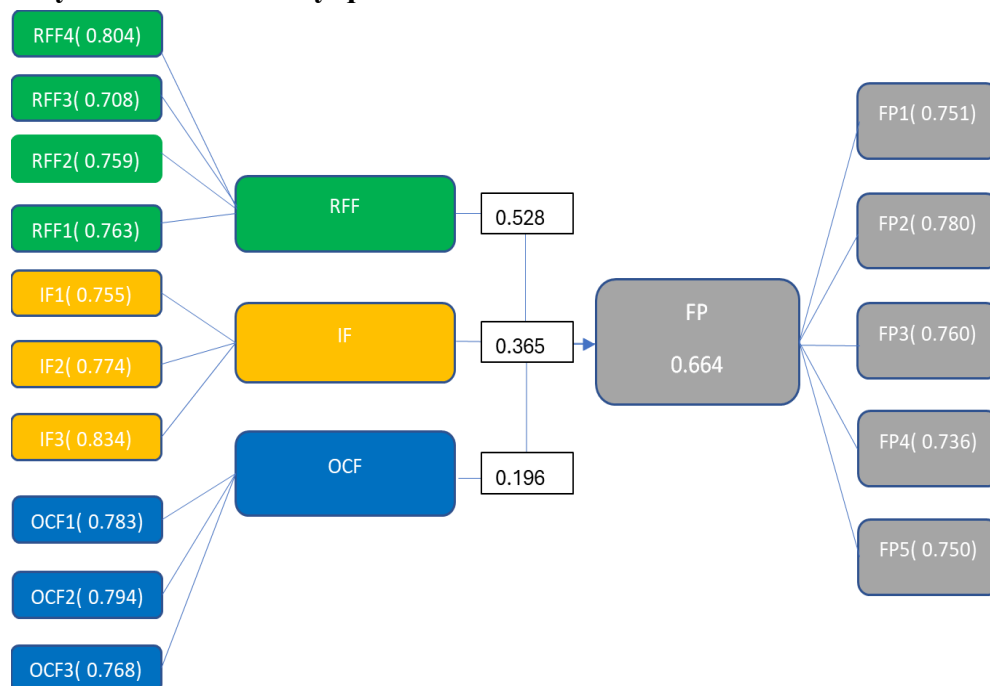


Figure 3. Results

Source: Authors' work

The results of analyzing the structural path model (using SPSS/SmartPLS) showed the high operationalization of model fit, generating a R^2 of 0.664, which means that 66.4% of the variance in Financial Performance (FP) is explained by the three Supply Chain Finance (SCF) instruments: Reverse Factoring (RFF), Inventory Finance (IF), and Order Cycle Finance (OCF). All measurement items had loading factors greater than 0.7, which supports reliability of measurement and convergent validity.

Among the three factors, Reverse Factoring (RFF) exerted the most solidly positive effect on financial performance (path coefficient = 0.528), followed by a mid-level positive effect with Inventory Finance (IF) (0.365) on financial performance. Although Order Cycle Finance (OCF) yielded a less robust positive effect (0.196) on FP; a positive relationship still offers evidence that SCF instruments yielded higher financial performance for buyers, particularly Small and Medium-sized Enterprises (SMEs) in Vietnam, due to enhancements in liquidity and better management of working capital.

CHAPTER 5: CONTRIBUTION OF STUDY

5.1. Practical Contributions

This study employs a quantitative approach to examine Supply Chain Finance (SCF) within the Vietnamese context, with the primary objective of validating the SCF measurement scale. The research seeks to assist businesses, financial institutions, and policymakers in evaluating the implementation of SCF practices to enhance financing accessibility, liquidity, and financial stability for small and medium-sized enterprises (SMEs). Furthermore, the study assesses the effectiveness of key SCF instruments—namely Reverse Factoring (RFF), Inventory Finance (IF), and Order Cycle Finance (OCF)—and finds that RFF and IF are more widely adopted and yield higher effectiveness. The findings also underscore the critical role of trust and relational capital in Vietnam's business culture, emphasizing the necessity of coherent policies, digital transformation, and professional training to foster broader SCF adoption and strengthen SME resilience.

5.2. Academic Contributions

This study contributes empirical evidence on the effectiveness of Supply Chain Finance (SCF) within Vietnam's small and medium-sized enterprise (SME) sector—an emerging market that remains largely underexplored. The SCF measurement scale was developed and validated following established scale development procedures (Matsunaga, 2010; Sethi & King, 1994). By extending the existing literature beyond single-instrument analyses, this research offers a comprehensive comparison of key SCF instruments. The findings on the relative effectiveness of each instrument provide practical insights for selecting the most suitable financial solutions to enhance SME financing efficiency.

CHAPTER 6. CONCLUSION AND RECOMMENDATIONS

6.1. Conclusion

Given the steady integration of the Vietnamese economy into global value chains, Supply Chain Finance (SCF) has emerged as a practical model that assists firms in optimizing working

capital efficiency, mitigating account risks, and enhancing resilience to market volatility and changes.

This paper has examined the current state of SCF applications in Vietnam.

In further studies, it unfolds that some SCF model implementations work better than others. For instance, Reverse Factoring Finance (RFF) and Inventory Finance (IF) are relatively more applied and deliver better results, while the Order Cycle Finance (OCF) model placed stricter requirements for transparency, reliability, and equitable distribution of benefits to all parties in the transaction.

While SCF platform solutions have been researched, developed, and piloted by several commercial banks and fintech organizations, the application arose is limited to some extent in scale and scope of operations. Additionally, even though the digital transformation of the financial and banking industry shifted quickly in Vietnam, the advances did not continue promptly or comprehensively to match the pace of the present and future needs of modern supply chains. One factor contributing to the limited functioning of SCF products in Vietnam is the ineffective connection and coordinating mechanism between primary or mainstream financial institutions and fintech enterprises, which has prescribed divergent development of SCF for the potential end-users able to access to small businesses as anchors within the Vietnamese economy.

6.2. Recommendations

To maximize the advantages that SCF encourages and create a sustainable, transparent, and operationally effective SCF ecosystem, coordination should be coherent and coordinated by the State, sector financial institutions, enterprises, and technology providers. Based on this evidence, this thesis provides three broad recommendations:

(1) For the State and Regulatory Agencies, there is a need for the State to establish a complete legal framework and clear policies for SCF, which include the following impactful actions: having regulatory agencies issue necessary regulations for specific SCF transactions; and promoting, facilitating, and advancing digital transformation (e-invoices - digital signatures) to better ensure and enhance transparency; integrate SCF approaches, practices, and principles into policies for SME access to low cost capital support; enhance Public-Private Partnerships (PPPs) to enable innovation and develop a national SCF platform to engage in SCF transactions in a secure and low fraud manner.

(2) For Banking Institutions and Technology Service Providers, banks, financial institutions, and technology providers must invest in forward-looking and strategic opportunities to grow SCF, which includes developing, promoting, and implementing an enterprise-wide SCF Platform to engage in SCF transactions, which integrates Blockchain, AI, and Big Data to better assess risk and rapidly approve credit; develop SCF products that are flexible for specific industries and enterprises; and foster sustained collaboration with Fintech organizations to enable and develop an open and inclusive financial ecosystem by reducing the cost of SCF transactions, and cost of capital for SMEs.

(3) For Enterprises in the Supply Chain

Enterprises should take the lead in improving their financial management capabilities and accelerating their digital transformation to be able to engage meaningfully in SCF

programs. The minimum requirements include having appropriate digital platforms (ERP, e-invoicing) in place to validate real-time data, launching development courses that prepare staff to understand the SCF enabling mechanisms, risks, and cultural metrics, and pulling together a more trustworthy and collaborative shrike culture that further enables companies to efficiently and convincingly share information and work together across the supply chain.

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