

**PROTO-TYPE of a Financial Engineering Product related to the conference
subthemes: “e-Commerce and e-Procurement”**

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PROTO-TYPE: *SME Bank Solution*

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Innovation and new product development: A Financial Engineering Solution

**--The need for a new product from Banking Sector for their Small
and Medium Enterprenuer (SME) Business Customers.**

and Medium Enterprenuer (SME) Business Customers.

ABSTRACT OF THE PAPER:

New Initiative to Come-up with a new product to fill the gap.

“B 2 B ORDERING & PAYMENT FACILITATER CUM SUPPLY TRACKER”

A Financially engineered TOOL is suggested to India's SME industry to further the “E-Commerce and e-procurement” to be owned and offered by the customer's (both Buyer and Supplier) Bank coordinating the requirements viz Product Selection and Comparison with prospective Suppliers of the same, Purchase Order's e-placement, Banker's EFT covering the same sent to Suppliers and Supplier's Compliance in accepting and supplying the Purchase Order received with details of Supply dates, mode of transport and probable time of delivery etc. Other facilities needed like Bank Loan for Retailers, Archives and Reports for all the parties involved viz Retail Buyers, Suppliers and Manufacturers, Bank officials, Transport Operators is also in built to facilitate easy management of total activity, covering previous transactions as well.

This helps all the related parties to the Solution in meeting a big gap currently existing that may replace and revolutionarize the current paper/telephone based system and can be integrated with Bank's Core Banking System and also the Supplier's ERP system. Helps banks in giving more loans and faster Electronic Funds Transfer and QUICKENS the whole process and helps increase commerce with higher transparency and Revenues.

SME Bank Solution

GAP observed in the existing e-payment and Purchase Order system and a NEW Software Based Solution is conceived. The Functional specifications are drawn and a PROTO- TYPE is built to prove the validity of the concept and to show this to related market players who may get benefited by this. The Bankers are identified as the probable “Solution Owners” in the changed scenario and the tool is built taking their role play into consideration and to give maximum benefit and ownership role to them. The Buyers and Suppliers of goods are going to be “USERS of the System”. This Software can be hoisted in the Central Servers of the Bank and made available to Retail-Buyers and Whole-sale Suppliers and Manufacturers through an Intranet application that can be connected by Virtual Private Network with the users’ work place. Work-flow is built into the solution that makes it suit to industry needs. Added services like Cash Pick-up and Finance against stock are a FALL-OUT of implementing this solution to the Business Advantage of Buyers and Sellers with Bank as the Integrator. The Bank Branches are the Distributed Service Points nearest to Buyers and Sellers while Solution is with Head-Office.