



C2FO: Connecting SMEs *with* Equitable Access to Working Capital

MARCH 2025

About IFC

IFC is a member of the World Bank Group, and is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2022, IFC committed a record \$32.8 billion to private companies and institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises. For more information, visit www.ifc.org.

About SMEFF

The SME Finance Forum works to expand access to finance for small and medium businesses. The Forum operates a global membership network of +240 members that brings together financial institutions, technology companies, and development finance institutions to share knowledge, spur innovation, and promote the growth of SMEs. The SME Finance Forum operates a global membership network that brings together financial institutions, fintech companies, and development finance institutions to share knowledge, spur innovation and promote the growth of SMEs. Members share a common commitment to advancing finance so that small and medium enterprises can flourish and grow.



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Introduction

This case study highlights C2FO's key achievements and innovations that underscore its impact and leadership in the Global SME Finance sector.

C2FO's innovative platform and commitment to providing equitable access to working capital has positioned the company as a major player in small and medium enterprise (SME) financing. By leveraging new technology and fostering an inclusive financial system, C2FO supports the growth and prosperity of SMEs globally. C2FO's mission is to ensure that every business has the capital needed to thrive by offering fast, flexible, and equitable access to low-cost capital. The company is committed to transparency, flexibility, and efficiency, aiming to ensure that SMEs can prosper and contribute to the global economy.

International Finance Corporation (IFC) and C2FO are working under a strategic partnership to bolster job growth and economic prosperity in emerging countries. Its first initiative will work to enhance financing for local enterprises in Africa by developing a specialized, web-based multinational working capital platform for micro, small, and medium enterprises (MSMEs). This initiative is IFC's first dedicated supply chain financing facility in Africa for smaller businesses. The program will initially target the Nigerian market and C2FO estimates this could unlock more than \$10 billion per year in financing for small businesses.

C2FO joined the SME Finance Forum in 2021 to further optimize access to capital for SMEs across regions. They won the SME Financier of the Year Award at the Global SME Finance Forum Awards 2024, the pinnacle of global recognition for those who are making a real impact in the SME finance landscape.

Development Challenge

MSMEs are the core drivers of global economic activity and growth, accounting for over 90% of all businesses, 70% of total employment, and 50% of gross domestic product (GDP), on average, worldwide. Yet in emerging markets and developing economies, access to financial services remains the predominant challenge for MSMEs. The MSME Finance Gap increased by over 6% annually to \$5.7 trillion, representing 19% of GDP over the four-year period to 2019.¹

The SME Finance Forum's Global SME Finance Awards recognize financial institutions and fintech companies for their outstanding achievements in delivering exceptional products and services to their SME clients. The Forum's extensive reach fosters collaboration, knowledge sharing, and partnership building on a global scale. By connecting stakeholders from diverse backgrounds and regions, the Forum creates a vibrant community that drives innovation and impactful solutions for SMEs worldwide. This collaborative approach enables members to forge strategic alliances, share expertise, and leverage each other's strengths, ultimately driving greater impact and scalability in supporting SMEs.

Project Description

C2FO, headquartered in Kansas City, United States, is a fintech platform that provides on-demand working capital solutions to businesses globally, enabling more than \$400 billion in funding worldwide since its inception in 2008. The platform's Name Your Rate® technology allows suppliers to request early payment of invoices at a discount rate they determine, providing a flexible and transparent solution for SMEs to manage their cash flow.

The initiative with IFC will utilize C2FO's patented technology and dynamic discounting model to connect MSME suppliers with global and local financial institutions, allowing companies to convert sales receivables into immediate cash. This approach aims to provide much-needed liquidity to MSMEs without the need for risk-based underwriting, helping them grow and succeed.

The program will begin in Nigeria and is expected to create significant funding opportunities for these enterprises, enabling them to thrive and contribute to job creation and economic growth.



Innovating Financing

"We built C2FO to open the floodgates of liquidity without credit risk"

C2FO CEO and founder, Alexander "Sandy" Kemper

"Using C2FO levels the playing field for small and mid-sized businesses and allows companies to access more capital without the barriers of traditional lending."

C2FO has established itself as a transformative force in SME financing by leveraging innovative technology, fostering inclusivity, and driving economic growth. By providing SMEs with the tools and support needed to optimize cash flow and control the cost of capital, C2FO continues to play a role in shaping new standards in the financial landscape.

- **Name Your Rate® Technology:** This patented technology allows suppliers to set their desired discount rates for early payment of invoices, fostering a sense of empowerment and ensuring fair and competitive rates.
- **Dynamic Supplier Finance™:** This model allows enterprise buyers to leverage cash from their own balance sheets or third-party funds to provide early payment to more suppliers without disruptions in the availability of funds.
- **User-Friendly Platform:** Enhancements such as the Offer Builder and Invoice Central provide a seamless and efficient experience for SMEs, allowing them to manage their cash flow with just a few clicks.

"Why borrow working capital when you can get paid sooner instead?"

C2FO CEO and founder, Alexander "Sandy" Kemper

"This mindset is central to C2FO's work to build a better, more inclusive, financial system. Having the support of the SME Finance Forum and the recognition of this award brings us that much closer to achieving this goal."



Impact

Funding and Growth²

- **Total Funding:** Over the past ten years, C2FO has funded tens of billions of dollars specifically to SME businesses, with a compounded annual growth rate of 14%. This includes \$5.4 billion specifically funded for minority- and women-owned businesses.
- **2023 Funding:** In 2023, C2FO facilitated \$2.5 billion in early pay funding to nearly 25,000 SME suppliers.
- **Job Creation:** The \$2.5 billion in SME funding for 2023 contributed to the creation of approximately 41,000 jobs globally.

Market Expansion

- **Global Reach:** C2FO serves over 183,000 SME businesses in more than 80 countries, representing more than \$60.7 billion in eligible invoices in 2023.
- **Mexican Subsidiary:** In 2023, C2FO expanded operations and launched a Mexican subsidiary, funding over \$53 million to SMEs in Mexico and Latin America in its first year.
- **C2treds:** In 2024, C2FO joined the Trade Receivables Discounting System (TReDS) with approval of the Reserve Bank of India (RBI) distinguishing itself as the only fintech platform of scale in India to offer both Early Pay and TReDS functionalities.
- **IFC Initiative:** The partnership with IFC will begin in Nigeria, where it is estimated that a nationwide working capital platform could unlock more than \$10 billion in annual financing for MSMEs.


\$5.4B
funding for minority- and
women-owned businesses

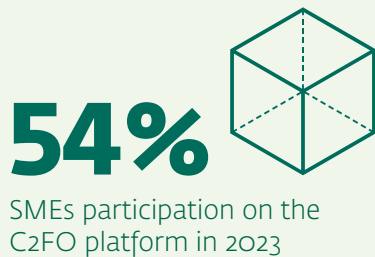

\$2.5B
early pay funding to
SME suppliers in 2023


41K jobs created
since 2023


183K
SMEs

80+ 
countries

\$60.7B 
invoices in 2023



Support During COVID-19

Early Payment Programs: During the height of the COVID-19 pandemic, C2FO introduced dedicated small-business early payment programs in partnership with enterprise customers like retail giant, Walmart, and grocery company, Albertsons, providing over \$4.8 billion in lifetime funding to small and medium-size businesses at significantly reduced rates.

SME Participation

- **Platform Participation:** In 2023, 54% of all participation on the C2FO platform was originated by SMEs.
- **Growth in minority- and women-owned businesses:** Since 2021, there has been a growth in funding of 38% for minority-owned businesses and 29% for women-owned businesses.

Economic Impact

Profit Generation: The funding provided in 2023 drove an estimated profit of \$790 million for supplier customers globally, according to industry benchmarks and research supported by the United States Federal Reserve Bank.

Efficiency and Accessibility

- **Turnaround Time:** Early payment requests are processed daily, with suppliers receiving payment as soon as the next day. On average, suppliers using C2FO are paid 31 days earlier than their agreed terms.
- **Digital Accessibility:** C2FO offers a progressive web app for Android users and a mobile-responsive site, with roughly 40% of all logins initiated on a mobile device, enhancing flexibility and convenience for SME clients.

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