

INTERVIEW: How GSCF goes about structuring programs

In this interview, Senior Structuring Manager **Julien Laffaille** explains the importance of the Structuring function within GSCF and describes how his team handles the set-up of new programs.

What are the main tasks of the Structuring team?

The Structuring team's role is to arrange bespoke solutions on the basis of requirements expressed by clients. Our main tasks include setting up the most appropriate structure, defining the economics and selecting the right counterparties on a case by case basis. We create solutions that are not readily available in the market and can be offered thanks to GSCF's advanced technology.

How does Structuring fit in with the other functions of GSCF?

Structuring works closely with other functions of GSCF, combining our expertise with the objective of creating a truly tailored product. For example, when we work on a new transaction or on changes to an existing one, our Credit, Program Structuring and Legal & Compliance colleagues are invited to attend the discussions at different levels. This collaborative culture reflects the holistic approach that we want to promote in the interest of our clients — i.e. combining servicing, financing and risk monitoring.

How is the interaction of Structuring with external counterparties, such as Funders and Credit Insurers?

We develop and maintain a direct relationship with banks, non-banking funders such as pension funds and private equity investors, credit insurers and originators. The dialogue is open and dynamic. When we structure a transaction for an originator, we would have already identified funders and risk carriers that offer the best fit based on their respective investment strategy and risk appetite.

What are the key aspects when structuring a new program?

Structuring a new program starts with the question "What are the client's objectives and constraints?". The key aspects we consider are not just limited to offering the required funding amount and tenor, but also include thinking about the program administration and accounting treatment for the client. Our role is to encourage further optimization in a way that sometimes had not been envisaged by the client.

Moreover, our team continuously works on offering innovative solutions to market participants. Interestingly, we see a growing number of participants asking for structures like the ones we offer in order to be less exposed, to some extent, to economic downturns.

What are the main challenges you encounter?

I would formulate the question differently and instead ask: “What factors can be opportunities in today’s environment?”. In this respect, I clearly see three main factors:

- *Innovation in the structure of transactions: Market participants now demand a tailored approach to replace “plain vanilla” products, sometimes offered since the 1990s.*
- *Rise of alternative funders: This is a great opportunity to open the market and structure things differently i.e. placing layers of credit risk with new investors looking to deploy resources in trade assets.*
- *Increasing importance of technology: Technology is present in all established industries. At GSCF, we understand this quite well, having developed a state-of-the-art processing platform in-house based on leading technology.*

What do you like the most about your job and being with GSCF?

What I am most excited about my job is experiencing the process of an idea growing into a tangible solution. GSCF is a vibrant environment in which we never run short of options, enabled by our advanced technology that allows us to have a flexible approach when facing new requirements.

What do you think the market should know about GSCF?

There are plenty of forms of working capital financing in the market, but originators usually end up having to adapt their own organizations to pre-defined frameworks. With GSCF on the contrary, there is not a “box” where originators or funders should fit into in order to benefit from efficient and scalable solutions. GSCF operates in a fully customised way, and in addition to servicing programs can act as fronting funder through its financing arm Alternative Distribution Financing Ltd. ([ADF](#)), which aggregates liquidity from a diversified pool of investors. The market should know that GSCF Group is a truly end-to-end service provider that offers comprehensive and innovative working capital financing solutions for clients worldwide.