

# Unlocking Working Capital in an Uncertain World



**Greg Hurst**

Managing Director, Head of Origination, Working Capital & Trade Finance, MUFG



**Mark Timoney**

Managing Director, Working Capital & Trade Finance, MUFG



**Tom Alford**

Deputy Editor, TMI

**As the TMI Awards 2026 Best Bank for Trade & Supply Chain Finance: North America, MUFG demonstrated its deeply collaborative approach to working capital optimization. Its winning entry – an innovative early payment program delivered with a major North American corporate – helped its client strengthen supplier liquidity while maintaining financial control. In the company of the bank’s Greg Hurst, Managing Director, Head of Origination, Working Capital & Trade Finance, and Mark Timoney, Managing Director, Working Capital & Trade Finance, we explore how other corporates can begin a journey towards working capital optimization.**

“

*In this current uncertain environment, clients want to know they have strong suppliers behind them, helping them continue to grow with confidence.*

”

In conversations with clients across industries and regions, MUFG sees a consistent theme: their priority is no longer simply liquidity access, but how to unlock working capital more effectively. By pulling the right levers across the balance sheet, companies can strengthen resilience in increasingly complex supply chains. The driver is clear: unlocking working capital is viewed as a way to embed that resilience directly into the balance sheet.

For Hurst, this shift in priorities has encouraged a fresh view of practices. Rather than treating working capital as a passive outcome of operations, companies are increasingly examining it as a source of untapped potential. “Where once it just existed on their balance sheet, increasingly it is being seen as a source of untapped potential,” he explains.

Covering areas such as receivables, payables, and inventory, Hurst notes that SCF tools such as dynamic discounting, factoring, and invoice financing have seen clients accessing working capital optimization tools.

“In this current uncertain environment, clients want to know they have strong suppliers behind them, helping them continue to grow with confidence. This has seen nearshoring and alternative sourcing shift from contingency planning exercises to being a core part of a supply chain strategy. The support that these solutions offer is a win-win for buyer and supplier.”

## A new understanding

Post-Covid, Timoney suggests most businesses realize the fragility of working capital. "They know now that it can be subject to sudden and severe shocks, and that if they don't have the right tools in place, they won't be able to respond and manage it," he says. "It's one of the reasons today why working capital is such a strong theme for treasurers. They know the tools are available, and because treasury can access them, it's fallen within their remit to ensure their business has them."

The new understanding of working capital's significance is drawn largely from the fallout of the pandemic and the subsequent acceleration of adoption of tools to assist its effective management. It is now being applied to more recent and ongoing market turmoil, notes Hurst. These are clearly structural shifts, not passing trends.

On the receivables side, he observes that the driver for progress is often the need to diversify capital sources. "Treasurers are necessarily pulling many levers, maybe adding debt through a credit facility, but for shorter-term needs, a receivables monetization program may be adopted, through factoring, invoice discounting or securitization, for example." Indeed, he notes that with more buyers seeking to harmonize payment terms with suppliers, especially where acquisition has increased complexity, "the next logical step is to explore working capital optimization."

Of course, at the same time, treasurers need to balance efficiency with stability, ensuring their working capital

optimization program doesn't come at the expense of supplier resilience or operational continuity.

## Building resilience

The means of achieving working capital optimization will be best revealed by treasury's exploration of all options, advises Hurst. "Of course, the treasurer should fully understand their liquidity objectives, but they should also resist any preconceived notions of how they can achieve them." By approaching working capital optimization with an open mind, he believes it can unlock the advantages of previously overlooked solutions.

While traditional working capital finance programs can obviously support the cash flows of suppliers and buyers, Hurst says that a tool such as prepayment funding can be used for risk mitigation, and even as a means of driving the movement of goods to help fuel growth.

Prepayment financing is also playing an expanded role in supporting supply chain resilience. In certain sectors, particularly where supply is constrained, suppliers are increasingly requiring upfront payments to secure production capacity and guarantee delivery timelines.

"In some markets, upfront payments are now required just to secure production capacity," adds Timoney.

In these cases, prepayment structures enable buyers to access critical inputs, lock in pricing, and ensure continuity of supply, especially in industries such as renewable energy and advanced manufacturing.

## Mission: possible

For these solutions to be truly effective, Hurst suggests that it is essential for treasury to be fully aware of the conditions under which supply chain relationships are operating. This means collaboration with colleagues in diverse functions such as procurement, logistics, production, sales and marketing, and in some cases even IT.

"A successful working capital program requires buy-in from the entire organization," he states. "While treasury can drive



**Greg Hurst**  
Managing Director,  
Head of Origination,  
Working Capital & Trade  
Finance, MUFG

“

*Of course, the treasurer should fully understand their liquidity objectives, but they should also resist any preconceived notions of how they can achieve them.*

”

activities on the receivables side, an inventory, prepayment or other payables program, necessitates coordination with procurement and other stakeholders, given their ownership of supplier relationships.”

However, Hurst notes that establishing a good working connection across the organization can be “one of the more challenging impediments to a successful program.” Progress is, he says, often dependent on alignment of KPIs between functions. Where a perceived conflict of interest emerges, one or more functions may push back on that program. Success may therefore require the strategic positioning of working capital management. And for this reason, he sees the delivery of a new working capital approach “as more of a change management mission.”

The common mantra of ‘doing more with less’ is found in almost every corporate function. “It can be hard to think in terms of what the benefit is for the organization, opposed to the benefit for the individual or their department,” acknowledges Hurst. “Often the question is, ‘Do we have the bandwidth to take on such a program?’ And often the answer is ‘No.’ So while it may be good for the organization financially, and bring it into line with industry peers, we’ve seen clients delay or defer change simply because they feel they cannot spare the resources.”

But examples of success among MUFG’s clients are there to be explored – its TMI award-winning project being a case in point. One method of bringing about positive change to working capital management is to start by building a team across many functional areas.

“We’ve rolled out a brand-new payables program that started with an initiative from the CFO, driven by early buy-in from the CEO, who ensured all the other leaders were on board with the creation of a cross-functional team,” reveals Hurst.

While it has already been stated that treasury has more control over receivables, again, it requires some effort to work, he cautions. “Naturally, the treasurer has to see the value even in implementing a traditional SCF program. But the most successful programs are those that attract senior level buy-in to foster the achieving of a common goal.”

### End-to-end view

As an example of the successful deployment of working capital solutions, MUFG has supported several large-scale infrastructure and technology projects in the US. “In this space, supplier prepayment is a common requirement,” explains Hurst. “But by providing SCF or structured finance, we have enabled our clients to maintain the steady flow of essential equipment from their suppliers.”

Many long-established solutions are making a resurgence in light of new conditions too, notes Timoney. Alongside these working capital levers, traditional trade instruments are also playing a more prominent role in enabling execution as supply chains evolve.

In the context of rising CapEx demand, his team has witnessed a notable recent rise in adoption of the traditional LC.

These are increasingly being used to underpin the huge capital outlays required in some very modern contexts. As supply chains evolve and counterparties become more diverse, letters of credit are playing a more central role in providing certainty and enabling execution. As an example, companies engaged in developing large-scale infrastructure and technology projects are often required to connect to regulated power grids. The support enables these firms to grow without tying up balance sheet liquidity. In this context, LCs are increasingly used as execution tools, mitigating counterparty risk and ensuring projects and supply chains can move forward.

By probing the specific needs of clients in any one sector, MUFG is able to replicate solutions for clients facing similar circumstances, whether that focuses on optimizing payables to support supplier resilience, accelerating receivables, releasing cash embedded in inventory, or, as with the data

“

*Treasurers now expect tailored solutions. But they also expect them to be delivered with consistency and reliability.*

”



**Mark Timoney**  
Managing Director,  
Working Capital & Trade  
Finance, MUFG

center example, using trade instruments to accomplish credit intermediation without deploying cash.

However, Hurst notes the emergence of new solutions to meet evolving client needs. "Straightforward tools support basic working capital and liquidity needs. But in this dynamic trading environment, the focus is shifting toward coordinating these tools to create a more integrated, end-to-end view across the supply chain and unlock greater efficiency."

If unlocking working capital while reinforcing resilience across the supply chain demands product customization, then execution capability on the bank side also has to be high on the agenda. "Treasurers now expect tailored solutions. But they also expect them to be delivered with consistency and reliability," acknowledges Hurst. Increasingly, service quality - including speed of response and issue resolution - is a key factor in how clients evaluate their banking partners. Of course, technology facilitates these outcomes, but, he adds, "in practice, the ability to deliver under real-world conditions is what differentiates providers."

## Linking the chain

MUFG is Japan's largest financial group, and one of the world's top 10 largest bank holding companies, so there's a high likelihood that it will bank the original equipment manufacturer (OEM) and a high proportion of its first-tier suppliers. However, as a relationship bank, Timoney says MUFG will seek to solve its direct client's needs, "wherever they happen to reside within the supply chain, whether first, second, third tier or beyond." Of course, it becomes more of a challenge to assess and manage the risk, the deeper into the supply chain the credit offering goes.

"But we'll go wherever we can to be supportive of our client. In some cases, we're able to assist their suppliers or buyers because ultimately our role is to provide liquidity and to assume the risk associated with a transaction." That risk, he explains, is derived from the physical supply chain, and it can't be measured without having a deep understanding of the counterparties - this can only fully be identified if that counterparty is a client.

## WHERE WORKING CAPITAL MEETS INFRASTRUCTURE

There is a burgeoning equipment and component requirement in certain sectors of the economy, certainly in the US with its existing manufacturing base, notes Timoney. It's notable that much of the CapEx equipment and component requirements of data-center construction and ongoing operation are competing with the computing and traditional manufacturing bases for the same core components. It is creating scarcity among certain materials.

"This is forcing buyers to look for alternative solutions for inventory financing on a deconsolidated basis, or one that does not weaken their leverage," continues Timoney. But he sees buyers also looking for solutions to meet increasing demand from suppliers for advanced payments to reserve production capacity for the delivery of goods on short- to medium-term contracts.

To meet these changing needs, Timoney says MUFG is developing and enhancing its existing solutions. Indeed, his own team is now working closely with the different solution engineers within the broader working capital team "to make sure that we can apply a comprehensive solution set in the right context for the client."

While not common in tech and manufacturing sectors, in the commodities sector, it is common for a bank to refinance a client's advanced payments to their suppliers.

"Sometimes that's the way commodity trading companies access the flow of goods," explains Timoney. "And we're starting to apply the same structure to the refinancing of advanced payments for goods that requires a large capital outlay such as solar panels, electrical turbines, or battery storage units."

This approach derives from observing prepayments through the life cycle of the receivable, and can be applicable to any industry that has a similar dynamic, says Hurst. There is, he notes, a project finance feel to the process, with each client handling its business in a slightly different manner. "We'll take an end-to-end view, exploring the many pieces that have to fit together," he explains. "That process has to consider the sometimes-wild swings in value of equipment, and the many new counterparties inserted at different points along the supply chain. It can be challenging from a credit standpoint, requiring collaboration between a number of internal partners who are similarly engaged in working capital projects."

Because the specifics of a solution will vary considerably between a large and established credit-worthy corporate and a smaller startup, building a response starts with a meeting between bank and client. This leads to an honest assessment of the client's issues and objectives, following which options and ideas will be discussed. "It's very much a collaborative process," states Hurst.

Alongside credit-based solutions, Timoney notes that MUFG can support clients with a broader set of tools that extend deep into their supply chains. It is one of few banks able to offer dynamic discounting and card solutions for smaller vendors.

### The long and the short of it

While the working capital needs of long-tail suppliers may once have been seen by OEMs as an issue for those suppliers to solve themselves, major buyers today are keen to lock down sources of quality components, and in some cases expect their suppliers to guarantee longer-term delivery of inventory.

As a result, Timoney observes how OEM buyers these days are far more open to engaging in the support of their suppliers' working capital. The conversation about overall supply chain resiliency is now one in which he says clients are taking a proactive stance.

Indeed, with the shifting of physical supply chains into new regions, Hurst notes that the call for inventory guarantees has seen clients increase integration of their supply chain partners' financial health into their contingency planning.

"We are now advising clients on where financing could be available to their suppliers. And if we are also banking their larger suppliers, we are in a position to assist them with their own CapEx or relocation needs."

### Backbone connected to ... everything

Supported by dedicated teams for product development and implementation, MUFG clearly has a firm grasp of its clients' evolving needs in today's tumultuous trading environment. "We are in constant conversation with them, making sure that our service fits their needs. And we're always looking at new areas to support our clients," says Hurst.

While supporting supply chain participants does not necessarily require new solution development, he adds that the team has the resources and capabilities, including "an ever-evolving technological backbone," available to support clients at scale. Indeed, the key to enabling working capital optimization is founded on the strength of relationship,

emphasizes Hurst. While technologies such as AI have a role to play in underpinning solution and service delivery, he feels that "nothing can replace human interaction."

The opening of channels to discuss changing client needs has paved the way for a general shift in approach. Traditional working capital solutions are still highly relevant, but now there is more client awareness of what is available to them, and how the wider banking solution set combine to greatest effect.

Timoney celebrates the "heightened awareness" among clients of solutions such as inventory finance, and even advanced payment solutions that deploy limited recourse arrangements or specialised measures which may even achieve a beneficial accounting outcome. "In the past few years, customers have begun paying more attention to these working capital solutions because they realize they work. Now, whenever they have increased demand for working capital – and there is more stress in procurement as CapEx requirements change – they know to talk to their banks."

### Making the difference

Driven by increased pressure on working capital in supply chains, resilience is now the watchword on both sides of the trade equation. It means having the right processes, solutions, and people in place to prepare for and tackle not just adverse events but the everyday demands placed on all buyers and suppliers.

Treasurers have a vital part to play in achieving working capital optimization and the supply chain resilience it can bring. All sensible options should be on the table.

Within MUFG, Hurst reveals that coordination of these structural shifts – and support for corporate clients – has seen closer collaboration between the bank's SCF team and its working capital and trade finance counterparts.

This is as it should be. As customization of the solution and service set increases in line with client demand and need, so execution capability on the bank side has become a differentiator. In fact, it's one that earned MUFG the TMI Awards 2026 Best Bank for Trade & Supply Chain Finance: North America.

“

*MUFG will seek to solve its direct client's needs, "wherever they happen to reside within the supply chain, whether first, second, third tier or beyond."*

”