CashOnLedger

An OEM within the farm machinery market needs to reshape its rental process to increase profitability

What is the case about?

- Farm machinery company, which needs to reshape their rental process to be more profitable
- Implementation of a dynamic leasing/pay-per-use case to enable an usage based invoicing and transaction settlement
- More efficient and less costly insurance processes
- Go-Live in autumn 2020 with 20-30 tractors

What is CashOnLedger's role?

- Digitize and automate the rental process
- Build an integration with the exisitng telemetric data platform from the client
- Use the clients's data to calculate the hourly cost of usage
- Invoice/Billing based on usage of the farm machine
- Build an integration with leading ERP-systems
- Build an integration with a bank to settle the transactions

Pain points for a profitable rental process within the farm machinery market

1 HIGH OPERATING COSTS

As most processes are still performed manually and build as island solutions, the degree of automation remains low and settlement costs are particularly high.

2 TIME AND RESOURCE INTENSIVE

The lack of automation results in manual work and binds human resources to perform these tasks, which creates opportunity costs additionally.
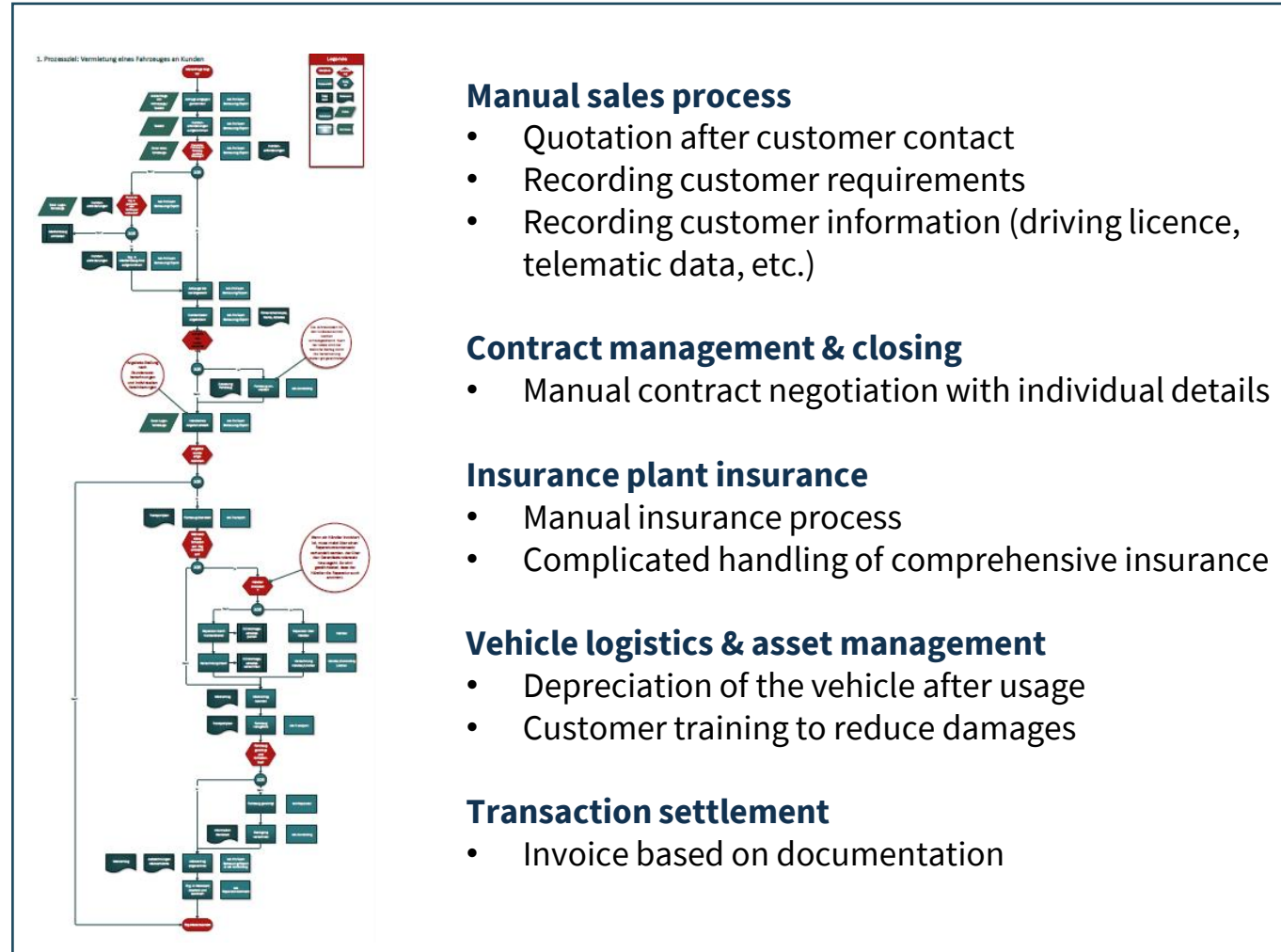
3 FRAUD & MISSUSE

As data is currently not used to incentivize using the vehicles, fraud and misuse of the client's assets happens on a regular basis. Data must serve as single source of truth to prevent this.

4 PROFITABILITY LOSS

Current rental processes cannot be performed with sufficient profitability. Furthermore short-term rentals cannot not be executed profitably.

Manual sales process
- Quotation after customer contact
- Recording customer requirements
- Recording customer information (driving licence, telematic data, etc.)

Contract management & closing
- Manual contract negotiation with individual details

Insurance plant insurance
- Manual insurance process
- Complicated handling of comprehensive insurance

Vehicle logistics & asset management
- Depreciation of the vehicle after usage
- Customer training to reduce damages

Transaction settlement
- Invoice based on documentation

CashOnLedger's Payment Engine combined with LBBW Payment Adapter offers a fully automated and compliant payment solution!
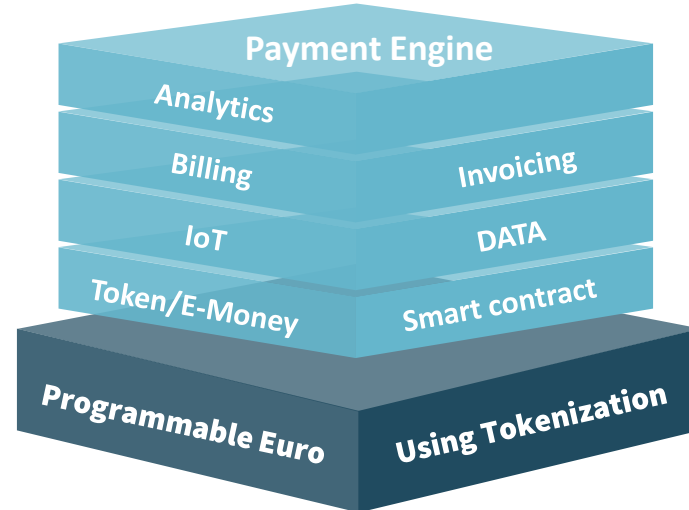
Machine data extraction

CashOnLedger works with leading semiconductors and startups to extract data from the machines. Hence necessary information can be gathered.

Automated Billing

Based on the machine data, an algorithm is triggered which calculates the depreciation of the asset and generates the invoice for the client in leading ERP systems (SAP, Oracle, etc.)

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Payment Engine

Analytics

Billing | Invoicing

IoT | DATA

Token/E-Money | Smart contract

Programmable Euro | **Using Tokenization**

Insurance

IoT devices, unchangeable data and smart contracts have an impact on the development of risk assessments. Insurers can rely upon secure data to create individual insurance packages.

Automated Payment

Being connected to bank accounts and having created the programmable EUR, CashOnLedger also triggers the automated settlement process to reduce manual accounting efforts

Payment options – The digital Euro in comparison to SCT Inst Credit Transfer

Real-time payments & settlements are required to meet the customer demand and enable digital business cases. Current solutions such as SCT Instant Credit Transfer proofed to be costly and cannot be integrated into the client's systems as it lacks programmability.
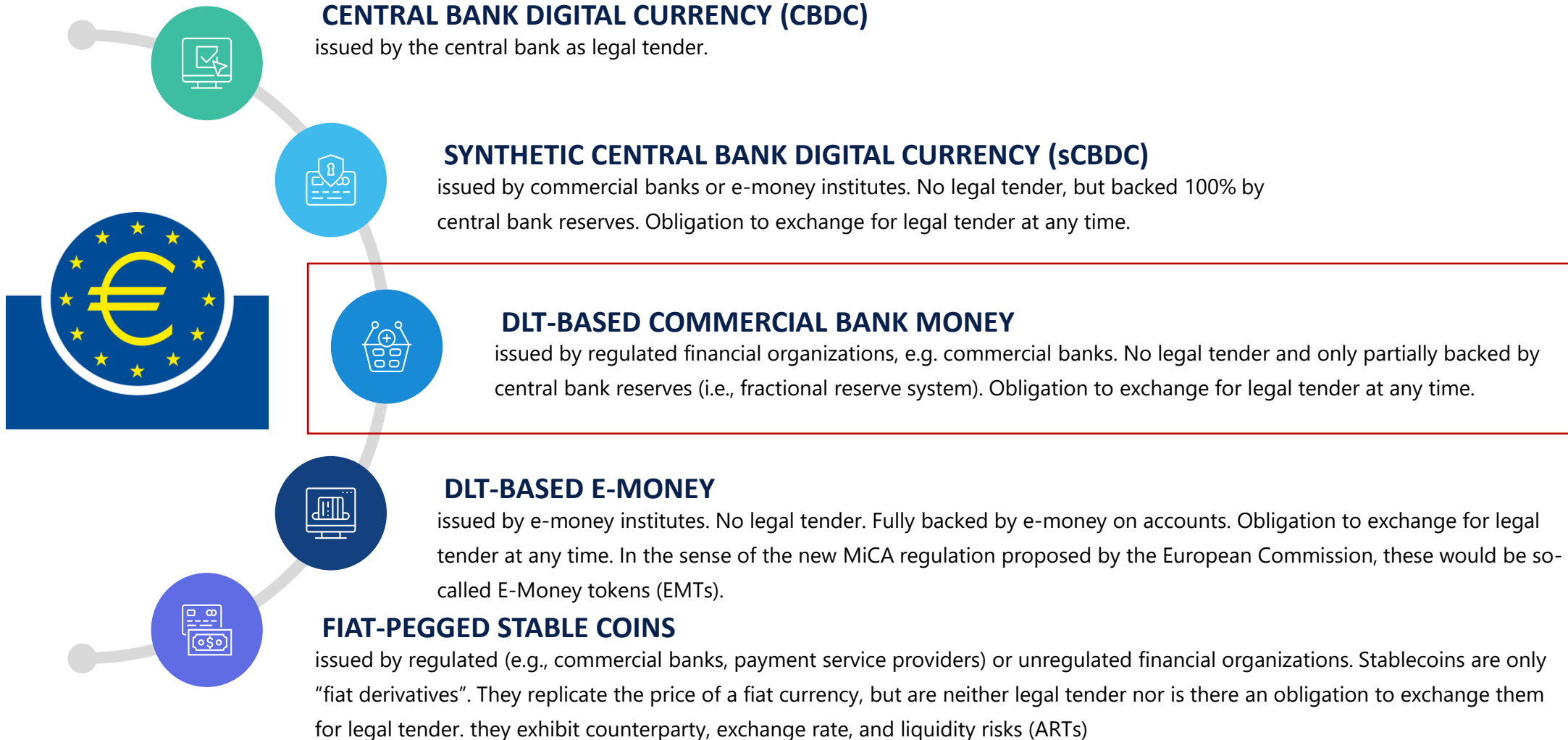
DIGITAL EURO

- ✓ Enables instant settlements & transfers
- ✓ Corporate Payments Innovation with new business model for banks
- ✓ Programmable, system-agnostic & Delivery-vs.-Payment function as competitive edge
- ❖ Core Banking Adaption
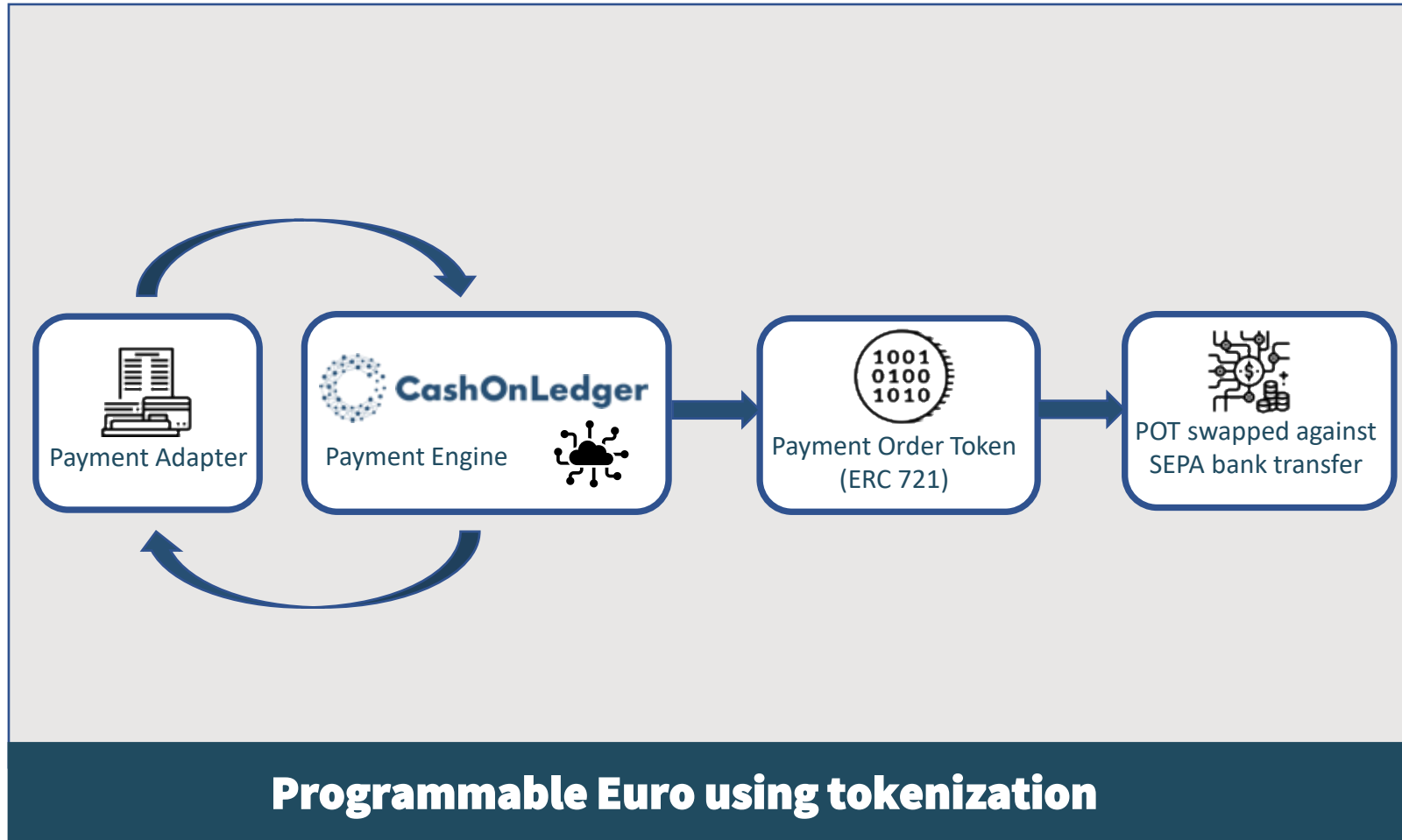- ❖ Operational Costs (24/7/365 SLA)

SCT INST CREDIT TRANSFER

- ✓ Enables instant settlements & transfers
- ❖ Core Banking Adaption
- ❖ Operational Costs (24/7/365 SLA)
- ❖ Adoption rate with banks
- ❖ Payment Service Provider (PSP) needed
- ❖ No programmability & orchestration of payments

Europe mustn't loose time in the global race on digital money – the short-term solution is DLT-BASED COMMERCIAL MONEY

CENTRAL BANK DIGITAL CURRENCY (CBDC)
issued by the central bank as legal tender.

SYNTHETIC CENTRAL BANK DIGITAL CURRENCY (sCBDC)
issued by commercial banks or e-money institutes. No legal tender, but backed 100% by central bank reserves. Obligation to exchange for legal tender at any time.

DLT-BASED COMMERCIAL BANK MONEY
issued by regulated financial organizations, e.g. commercial banks. No legal tender and only partially backed by central bank reserves (i.e., fractional reserve system). Obligation to exchange for legal tender at any time.

DLT-BASED E-MONEY
issued by e-money institutes. No legal tender. Fully backed by e-money on accounts. Obligation to exchange for legal tender at any time. In the sense of the new MiCA regulation proposed by the European Commission, these would be so-called E-Money tokens (EMTs).

FIAT-PEGGED STABLE COINS
issued by regulated (e.g., commercial banks, payment service providers) or unregulated financial organizations. Stablecoins are only "fiat derivatives". They replicate the price of a fiat currency, but are neither legal tender nor is there an obligation to exchange them for legal tender. they exhibit counterparty, exchange rate, and liquidity risks (ARTs)

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The Payment Order Token as solution to enable fungibility & standardization for the digital Euro

Payment Adapter → Payment Engine (CashOnLedger) → Payment Order Token (ERC 721) → POT swapped against SEPA bank transfer

Programmable Euro using tokenization

Using the Payment Order Token, we create programmable money which can be natively bound to IoT data and trigger autonomous transactions.

Furthermore, the Payment Order Token represents a native Delivery-vs- Payment function, which automates the settlement process for not only payments, but also digital assets.

The payment order token has the potential to become a new monetary standard. As the POT can be implemented at any bank, it represents a new form of commercial money based on programmability.

Due to our exclusive agreement with our partner bank, COL is protected in initially using this new monetary standard and helps our partners to build further features.

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