

Cash Flow Management and Forecasting

INTRODUCTION

- Cash flow is the lifeblood of every business and efficient cash management is key to keep the business rolling in good times and bad times. Even businesses on a trajectory for long-term profitability, poor management of cash flow might result in failure if business “runs out of cash”.
- This programme offers an opportunity to acquire and deploy skills and ideas to achieve improved cash management strategies. The knowledge acquired will enhance the cash forecasting techniques and will provide new insights on how to improve financial and operating performance. In this programme you will participate in many aspects of modern thinking:
- Understanding significance of cash flow analysis
- Acquire tools & techniques required to realistically forecast the key cash flow drivers
- Apply a disciplined approach to understand key drivers of cash flow, evaluate the quality and sustainability of company’s debt capacity and debt servicing capability

PROGRAMME OBJECTIVES

This Cash Flow Management & Forecasting training course aims to enable participants to achieve the following objectives:

- Acquire fundamental principles of accounting for cash flow
- Expand skills in analysing and interpreting cash flow statements
- Apply effective working capital optimization strategies
- Implement effective capital investment evaluation and decision making
- Devise an optimal business funding strategy
- Prepare realistic cash flow forecasts using financial modeling

WHO SHOULD ATTEND?

- Financial and accounting staff
- Supply chain and procurement team members
- Receivables and payables staff
- Planning and budgeting managers
- Capital investment and project team members

TRAINING METHODOLOGY

- You will learn by active participation during the programme through the use of exercises, case studies, practical workshops, syndicate and group discussions.

PROGRAMME SUMMARY

- This training session is presented in a manner that will make cash flow management and forecasting more easily understood by people from every discipline across the organisation. Case studies and practical exercises are used to emphasise key issues and underpin learning by relating them to typical business scenarios.
- Delegates will progress through introduction of key underlying concepts of cashflow forecasting, the application of various techniques to manage cash and the use of analysis to both understand and manage cash cycle. They will then engage in practical steps to building cash forecast and conclude by gaining experience in the various developments in working capital analysis that can enhance the fundamental operational and behavioural aspects of an effective organisation.

PROGRAMME OUTLINE

Introduction to Cash Flow Management

- Understanding the importance of cash flow management
- Fundamentals of cash flow and working capital
- Principles of business accounting and financial statements
- How profit is different than cash flow
- Analysis of cash flow statement
- The drivers of cash flow, liquidity and solvency

Significance of Working Capital

- Cash flow and working capital
- Recognizing the working capital cycle
- Techniques to improve inventories and accounts receivable management
- Key cash flow and working capital management ratios

Enhancing Operating Cash Flows

- Significance of operating cash flow
- Cost behaviour and cost-volume-profit (CVP) analysis
- What drivers profits and shareholder value
- Improving return on investment
- Boosting asset management efficiency

Sources of Finance and Capital Budgeting

- Meaning, nature, and significance of business finance
- Sources of business finance
- Analysing and managing capital structure
- Calculating the cost of capital
- Key principles of capital budgeting
- Capital investment decision-making using cash flow method
- Discounted cash flow analysis using Excel Modelling

Techniques of Cash Flow Forecasting

- Methods to managing cash resources
- Cash flow forecasting techniques
- Risk management approach to cash flow forecasting
- Techniques for managing risk
- Sensitivity analysis of cash flow forecasts
- Best Practices in Cash Management