

# Managing the Cash Cycle

## INTRODUCTION

- This 10-day Managing the Cash Cycle training course will provide a leading edge forum for you to significantly improve your working capital management skills. You will gain a comprehensive range of very practical and highly effective tools and approaches that can be immediately implemented upon your return to work.

By attending this training course, delegates will understand:

- The importance of credit to the company and the economy
- The “cost of credit” and its impact on company profitability
- Practical steps that reduce bad debt losses and “uncollectible” debtors
- How to use different tools and techniques to maximize cash collection effort
- How to effectively manage cash and working capital to reduce costs and improve cash flow
- How leading companies from across the globe are achieving best practice in Accounts Receivable
- The importance of the accounts payable function with regard to its links with the supply chain and cash flow
- The integrated systems of purchase order processing, stock (inventory) control, purchase ledger and cash payments and their links with the general ledger
- How to effectively manage cash and working capital to reduce costs and improve cash flow
- The impact of risk and uncertainty on the business and its impact on accounts payable and cash flow
- How leading companies from across the globe are achieving best practice in Accounts Payable

## PROGRAMME OBJECTIVES

- Work effectively with the fundamentals of accounts payable, accounts receivable, financial accounting and the supply chain
- Understand and apply the fundamentals of effective transactional management systems
- Review and comment on payment methods and cash management
- Understand the need to incorporate risk and uncertainty into transactional processing and cashflow management
- Identify best practice across all industries by examining case studies from across the globe

## WHO SHOULD ATTEND?

- This training course provides a user-friendly environment to develop the knowledge and techniques related to both accounts receivable and accounts payable that are valuable for:
- Finance Executives
- Accountants
- Others who are working within Transactional Finance, Accounts Payable or Accounts Receivable process or who wish to develop a practical toolkit to complement their existing professional or technical skills
- This 10-day Managing the Cash Cycle training course is also ideal for those wishing to develop their understanding of how Working Capital efficiencies can make a significant improvement to profitability or you may already be employed in any of these functions within the business.

## TRAINING METHODOLOGY

- The instructor engages all of the delegates, both in the presentation of the material and the training course sessions, so that everyone leaves with a working knowledge of the material and the ability to use them immediately.

## PROGRAMME SUMMARY

- Working capital management influences both a firm's risks and its expected returns. After completing this training course, you will be aware of the risk return trade-offs that are implied in financial forecasting, know the process of financial planning, the importance of managing cash inflows and outflows, how to finance short-term assets, and make the right decisions on financing and investment for your firm.

## PROGRAM OUTLINE

### An introduction to Accounts Receivable

- Working Capital and Cash Management
- Understanding "the cost of credit"
- The 'order to cash' process
- Understanding "risk" in "credit"
- Accounts Receivable and effective customer service
- Identifying under-performing areas to increase customer satisfaction

### Customers and trading terms

- Terms of trading
- Tools and techniques of financial analysis: ratios; trends; common size analysis
- The best performance measure – cash or profit?
- Financial distress and the Altman's Z score-type analyses
- Trend analysis
- Value added analysis of financial statement

## Developing effective strategies to maximise cash collection

- Identifying effective “pre-delinquency” collection campaigns
- Defining “post-delinquency” activities
- Customer sensitive collection strategies
- Collection techniques and letter cycles
- Appropriate internal and external escalation steps
- Using work flow management to maximize collector performance

## Practical collection tools and techniques

- Eliminating barriers to payment
- Recognizing excuses and delaying tactics
- Providing solutions to non-payment
- Telephone collection techniques
- Negotiation skills for successful collections
- Building relationships with customers

## Managing the Receivables Ledger

- Developing effective internal relationships to maximize performance
- Setting targets and tracking performance
- Managing information that dazzles
- Defining meaningful KPI's
- Latest Developments in Accounts Receivable

## Accounts Payable, Financial Accounting and the Supply Chain

- Accounting and financial information: Accounts Payable in context
- Sources of finance
- The supply chain
- Financial position and financial performance
- Cash flow and Working Capital
- Why is cash flow so important?

## Achieving World Class in Accounts Payable Processes

- Defining Best Practice in AP
- Moving beyond P2P
- Managing Risk
- Principles of Best Practice
- End to End AP Process
- Defining the issues in Accounts Payable

## Improving Invoice Processing and Operational Management

- Invoice Handling and Approval Processes
- Verifying invoice data
- Paying “low value” items
- How to avoid duplicate payments
- Making the best use of staff time: limiting telephone calls to AP
- Does Petty cash management belong in Accounts Payable?

## Harnessing Technology in Accounts Payable Processes

- Master Vendor File Management – getting it right from the start
- Travel & Entertainment
- Policy management
- Cash advances and employee reimbursement
- Process improvement through imaging and workflow
- Using the internet for AP effectiveness

## Making the Payments and Maintaining the Relationships

- Communications & Customer Relations
- Payments status information for vendors and internal customers
- Improving Procure to Pay(P2P)Cycle
- Payments and Payment Solutions: Accounts Payable or Treasury?