

Capital productivity

Raise. Deploy. Distribute. Decide.

Organizations want to make effective decisions about raising, deploying, and distributing capital. But in today's roller-coaster economic environment, that's easier said than done. For those who want to increase the value of cash, Deloitte's¹ Capital Productivity Solution Set provides the decision support process and systems capabilities to help you move forward with confidence.

What Finance capabilities does this solution set help to enhance?

Core capabilities	
Capital advisory	Identify appropriate capital structure and dividend policies. Raise capital to support refinancing, acquisition, or other corporate initiatives.
Decision management	Bring discipline to decision-making across the portfolio of capital allocation projects. Provide guidance for project selection through advanced decision analytics.
Capital expenditure planning	Develop capital expenditure plans at the business unit level. Establish effective governance by assessing project readiness, monitoring the portfolio, and integrating the portfolio with forecasts.
Balance sheet and cash flow forecasting	Establish performance targets by aligning the balance sheet and cash flow statement with strategic alternatives. Create an integrated forecasting model, master data parameters, and actionable management reporting framework.
Working capital management	Create working capital model. Prioritize initiatives based on financial benefits and risk exposure. Develop processes to track and report working capital performance and assess/analyze continuous improvement.
Value-added capabilities	
Capital project lifecycle management	Analyze and transform organizational processes, controls, and technology using forensic analyses and "construction audits." Provide project management and oversight of construction programs.
Process improvement	Support portfolio planning and decision-making with defined processes, advanced tools, templates, and risk assessments.
Workforce transition and talent strategy	Develop and implement Finance workforce transition and change management plans to maintain business continuity.
Tax planning	Confirm specific tax treatment through analysis of methodologies, process, and planning opportunities for capital productivity decisions to improve cash flow.

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Bottom-line benefits

- Increase return on capital
- Effectively manage the process of raising, deploying, and distributing capital
- Mitigate risk through effective decision-making by advanced analytics
- Achieve integration with the organization's financial planning processes
- Gain valuation drivers linked to KPIs, dashboards, and analytics to drive behavior change
- Improve planning and forecasting capabilities

Case study

A global mining company routinely evaluated a number of large (\$100M+), long-term, brownfield, and greenfield capital investment decisions each year. The CEO and Board asked Deloitte to provide more quantitative rigor and insight into the value and risk drivers of these various investments.

Deloitte quantified specific/targeted uncertainties and value drivers, allowing decision-makers to understand and compare the risk/return profile of long-term capital investments. Value stream opportunities were quantified and integrated into the business case, enhancing the project's return on investment.

Indicators that action may be needed

- Capital expenditure planning and decision-making processes are ineffective or funded with suboptimal financing
- Ineffective data governance or quality prevents leaders from making informed capital decisions
- Finance lacks effective forecasting and planning capabilities to plan budget

Find out more

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About Deloitte's Finance Transformation practice

Deloitte's market-leading Finance Transformation (FT) practice helps CFOs and other finance executives drive business performance and shareholder value while improving operational effectiveness and efficiency within the Finance organization. Our cross-functional, integrated FT Solution Sets help address the most critical finance issues facing our clients, including finance vision and strategy, organization and talent, business processes, and technology. Each FT Solution Set is composed of select cross-functional FT offerings configured to provide more value—faster—for the clients we serve.

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