Working capital improvement: The opportunity

The opportunity

The value
Value beyond your balance sheet
Cash & working capital improvement programs offer tangible value through the release of free cash flow, strengthening of the balance sheet, and protecting the P&L from unnecessary write-offs.

The common challenges
A competitive & complex supply chain
Companies face challenges impacting cash tied up in operations. Challenges span the entire working capital value chain from commercial collection terms, to inventory management, to supplier disbursements.

The ambition
Financing enterprise transformation
Cash released from such programs is instrumental for companies in fueling growth, transforming their operating model and technology, or—alternatively—as needed for survival.

The execution
Elevating ‘cash’ on the agenda
A cash culture mind-set is at the heart of a successful working capital program. We design advanced dashboards to aid management decision making and increase transparency of reporting in the organization. We build and implement identified insights to complex cash challenges.

Our methodology & output

MAKE IT URGENT
Understand high level focus & data availability

MAKE IT VISIBLE
Improve visibility & deep dive into problem areas

MAKE IT HAPPEN
Build insights & train users

MAKE IT STICK
Embed processes & change culture

The value we provide:
Financing enterprise transformation
Cash released from such programs is instrumental for companies in fueling growth, transforming their operating model and technology, or—alternatively—as needed for survival.

15–30% increase in EBITDA*
10-20% improvement in Working Capital*

*Total identified EBITDA opportunities/FY EBITDA = % increase in EBITDA
*Total identified Working Capital Opportunities/FY Net Working Capital = % improvement in Working Capital

How we help

We perform an end-to-end, enterprise-wide scan, bolstered by a robust triage approach, to identify and execute on opportunities that can drive cash flow on a rapid and sustainable basis.

Broad-based rapid diagnostic
Deep dive analysis & planning
Execution
Implementation

Situation clarity
Value drivers
Focus areas
Detailed analysis
Embed program
Detailed planning
Drive momentum
Embed workflow modifications
Track & refine

Scan + Triage
The new way and path to get there
Find the money and bank the benefits
Leadership and discipline

Value beyond your balance sheet
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Working capital improvement: Our team and approach

The opportunity

01
• Align with strategy
• Understand risk appetite and capabilities
• Support implementation
• Sustainable improvement

02
• Deep functional, industry and benchmarking experience expertise
• Use change and implementation skills
• Align with management

03
• Offer a fully unconstrained view
• Identify trade offs and risks
• Regular communication and reporting

04
• Focus on the things that really matter
• Avoid lengthy bottom-up analysis
• Provide technology and data analytics; market leading technology and data analytic capabilities
• Fast execution and results

05
• Clarify the need for the work
• Identify full benefit
• Design insights to unlock benefit

Our methodology & output

Recent representative working capital assessments identified working capital and improvement opportunities across the working capital cycle.

<table>
<thead>
<tr>
<th>Order to Cash (O2C)</th>
<th>Procure to Pay (P2P)</th>
<th>Forecast to Fulfill (F2F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13% Cash improvement for a $500M Manufacturer with a $110M avg. A/R balance</td>
<td>17% Cash improvement for a $2B B2B Retailer with a $900M avg. A/P balance.</td>
<td>15% Cash improvement for a $500M Manufacturer with an $86M avg. Inventory balance.</td>
</tr>
<tr>
<td>10% Cash improvement for a $7B (Business to Business) B2B Retailer with a $58 avg. A/R balance.</td>
<td>8% Cash improvement for a $500M Manufacturer with a $57M avg. A/P balance.</td>
<td>$8M EBITDA savings on Manufacturer with $500M revenue</td>
</tr>
<tr>
<td>$20M EBITDA savings on B2B/Retailer with $88 revenue.</td>
<td>$12M EBITDA savings on B2B/Retailer with $88 revenue.</td>
<td>$10M EBITDA savings on FinTech company with $2B revenue</td>
</tr>
</tbody>
</table>

Note that the results may vary based on specific client circumstances.

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