

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.

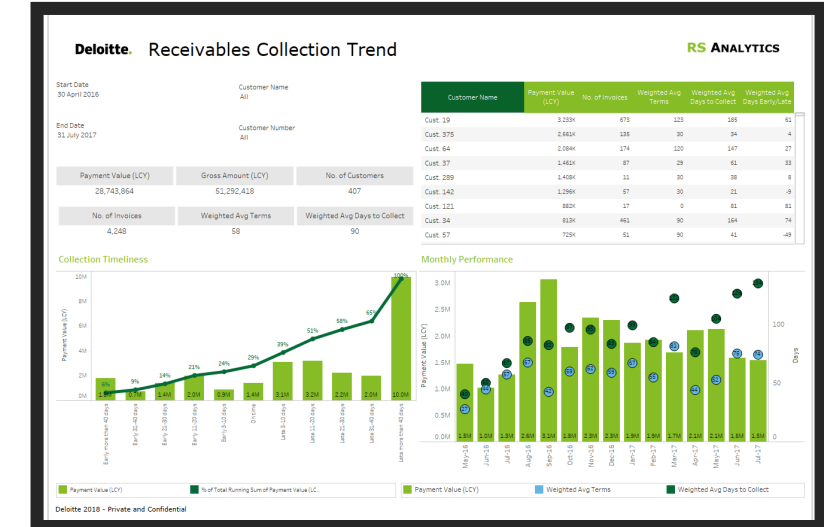
Our methodology & output

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:

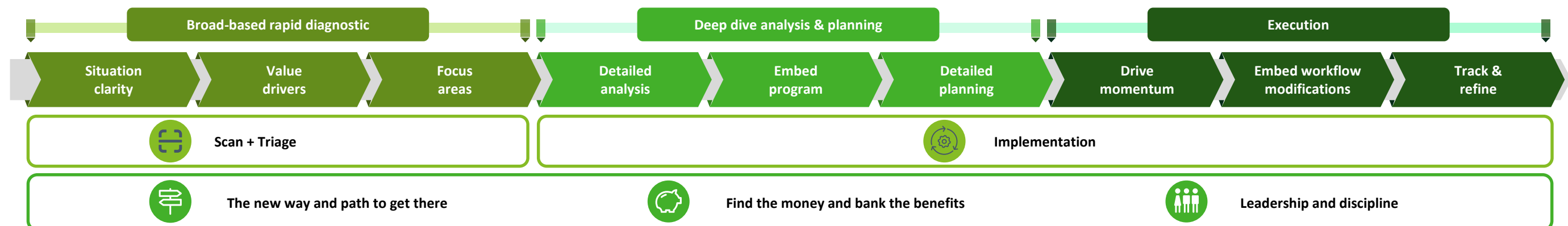
- 15–30% increase in EBITDA*
- 10-20% improvement in Working Capital*

*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.



Working capital improvement: Our team and approach



Our methodology & output

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

Order to Cash (O2C)		Procure to Pay (P2P)		Forecast to Fulfill (F2F)	
20%	Cash improvement for a \$2B FinTech company with a \$600M avg. Accounts Receivable (A/R) balance.	30%	Cash improvement for a \$2B FinTech company with a \$146M avg. Accounts Payable (A/P) balance.	33%	Cash improvement for a \$2B FinTech company with a \$40M avg. Inventory balance.
13%	Cash improvement for a \$500M Manufacturer with a \$110M avg. A/R balance	17%	Cash improvement for a \$2B B2B Retailer with a \$900M avg. A/P balance.	15%	Cash improvement for a \$500M Manufacturer with an \$86M avg. Inventory balance.
10%	Cash improvement for a \$7B (Business to Business) B2B Retailer with a \$1B avg. A/R balance.	8%	Cash improvement for a \$500M Manufacturer with a \$37M avg. A/P balance.	\$8M	EBITDA savings on Manufacturer with \$500M revenue
\$20M	EBITDA savings on B2B/Retailer with \$88 revenue.	\$12M	EBITDA savings on B2B/Retailer with \$88 revenue	\$10M	EBITDA savings on FinTech company with \$2B revenue

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

Our team

Financial Risk, Transactions & Restructuring | Deloitte Transactions and Business Analytics LLP



John Little
Principal
lolittle@deloitte.com
+1-214-840-7383



Anthony Jackson
Principal
antijackson@deloitte.com
+1-214-840-7128



Wanya du Preez
Manager
wanyadupreez@deloitte.com
+1-703-251-1107



Michael Quails
Manager
mquails@deloitte.com
+1-407-548-8454

About Deloitte

As used in this document, "Deloitte" means Deloitte Financial Advisory Services LLP, which provides forensic, dispute, and other consulting services, and its affiliate, Deloitte Transactions and Business Analytics LLP, which provides a wide range of advisory and analytics services. Deloitte Transactions and Business Analytics LLP is not a certified public accounting firm. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.