



Advanced Cash Flow & Working Capital
Management



27 - 31 January 2025



Lisbon (Portugal)

Advanced Cash Flow & Working Capital Management

course code: F2006 From: 27 - 31 January 2025 Venue: Lisbon (Portugal) - course Fees: 4500 Euro

Introduction

In recent years there has been a growing recognition that, in the long run, effective management of cash flow is more important than profit. Long-term cash flow is the real value of a business. It has also been recognised that there is significant potential for improved financial performance from the more effective management of working capital – both directly from immediate cash gains and reduced net interest costs, and indirectly through its impact on increased profitability and return on capital employed. A key challenge in achieving these performance improvements results from the fact that actual levels of working capital and delivery of cash flow are effectively determined by the day-to-day actions of a great many managers and staff, which in large corporations often run into tens of thousands.

This highly participative 5-day seminar covers the principles, techniques and skills involved in the effective management of cash flow and working capital in any business, blending a clear theoretical framework with extensive use of real-life examples and case studies.

Key areas covered in this program include:

- Optimising working capital
- Managing accounts receivable
- Managing inventory
- Strategic management of cash & working capital
- Planning, forecasting and monitoring cash and working capital
- Financial modelling tools and techniques for cash and working capital management

Objectives

By the end of this programme you will be able to:

- Acquire an understanding of the fundamentals of effective management of cash flow, including the optimisation of the level of working capital.
- Develop practical experience of how to manage cash flow and optimise working capital to facilitate such delivery in real life business situations.
- Increase personal financial skill levels
- Develop confidence through understanding the major drivers of successful financial performance.
- Learn a number of technical skills, all of which lead to the ability to calculate the required figures and implement them into value adding business decisions.

Training Methodology

This seminar is strongly participative, with a learning-by-doing style that makes extensive use of

examples, and team-based exercises and case studies (both numeric/analytical and non-numeric/descriptive), and open discussion. A fair level of numeracy is an advantage on this course as is some prior familiarity with the financial basics of income statements, balance sheets, and cash flow statements (although this is not essential).

The course will include refresher sessions on accounting and the basics of discounted cash flow (DCF). Each day will comprise several sessions, introducing new material to build on the learning from previous sessions. The program is designed to support the company's organisational values, enabling employees to learn key finance skills.

Organisational Impact

Organisations will benefit from trained managers who will:

- Manage cash and working capital more effectively (including inventory and accounts receivable)
- Be pro-active in seeking and finding approaches to improve both cash and working capital management
- Communicate the importance of improving cash and working capital management to colleagues
- Help others to improve cash and working capital management
- Better budget and plan cash and working capital

Personal Impact

- Understand the basic concepts of finance as it relates to their businesses
- Read and understand balance sheets and profit-and-loss statements
- Be aware of the singular importance of cash as the life blood of a business
- Focus on key management areas of inventory, accounts receivable and accounts payable
- Understand how to control and manage the cash flow of a business
- Forecast cash flows and draft a cash budget
- Evaluate projects based on their expected cash flows
- Incorporate risk into financial decisions

SEMINAR OUTLINE

DAY 1

Accounting for Cash & Performance

- A Performance Management Model
- The Financial Language
- Accounting Basics
- Cash Flow and Working Capital
- The 3 Key Financial Statements
- Cash Vs Profit
- Using financial statement to manage cash and working capital

DAY 2

Measuring & Improving Performance

- The Impact of Inflation on Financial Performance
- Measuring Performance: Ratios and KPIs
- Benchmarking of Performance
- Ratios for cash and working capital management
- Basics of working capital management
- Credit Risk Management
- Financial modelling for cash and working capital management
- Spreadsheet modelling and tools and approaches

DAY 3

Strategic Cash Management

- Cash & Cost modelling
- The Economic Value Model
- The Time Value of Money and Discounted Cash Flow (DCF)
- The Key Investment Indicators
- Defining the Right Base Case, Sensitivity and Risk Analysis
- Treatment of Working Capital
- Valuing Companies and Acquisitions
- Where Does Net Present Value (NPV) Come From?
- The Drivers of Value
- Learning from Experience and Delivering Project Value

DAY 4

Optimisation of Working Capital

- Optimisation not Minimisation
- Key Issues
- Stock
- Debtors
- Creditors
- Stores
- Settlement Options
- The Cost of Working Capital
- Long term
- Short term
- Practical Examples
- Engaging the Organisation

DAY 5

Final Session

- Course Summary and Checklists
- Cash Budgets & Budgeting
- Financial Skills and Further Development
- Open Forum
- Course Review

The course will have a number of breakout sessions, multiple choice and other question and answer sessions, and case studies to demonstrate the concepts covered and provide real live practical examples, which will facilitate learning.