€TRAINING

Advanced Cash Flow & Working Capital Management

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Istanbul (Turkey)
Sheraton Istanbul Levent

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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 recognized 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.

Course Objectives:

At the end of this course the participants will be able to:

- Understand the fundamentals of effective management of cash flow, including the optimization of the level of working capital.
- Develop practical experience of how to manage cash flow and optimize 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 many technical skills, all of which lead to the ability to calculate the required figures and implement them into value-adding business decisions.
- Understand balance sheets and profit-and-loss statements
- Understand the importance of cash as the lifeblood 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

Targeted Audience:

- Treasury Team Members
- Commercial Managers
- Receivables and Payables Team Members
- Planning and Budgeting Managers
- Financial and Management Accountants
- Capital Investment and Project Management Team Members

Course Outlines:

Unit 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

Unit 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 modeling for cash and working capital management
- Spreadsheet modeling and tools and approaches

Unit 3: Strategic Cash Management:

- Cash & Cost modeling
- 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

Unit 4: Optimisation of Working Capital:

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

Unit 5: Cash Flow Planning and Forecasting:

- Approaches to managing cash resources
- Cash flow forecasting methods
- An integrated approach to risk management
- Techniques for managing risk

- Building a key driver cash flow forecast
- Sensitivity testing cash flow forecasts