



Major provider of security products & services

Creating a cash culture

Case Study
Consumer Services

Developing a Quality Cash Management Process

Company Name: n/a

Location: Europe

Sector: Consumer Services

Function: HR, Marketing, Sales, Supply Chain and Administration

Business challenges:
Create a new cash culture in all services.

Consulting Services:
Financial Operations, Change Management

Capabilities: Cash Management

Client Quote:
“When you can’t get lost, you can be more effective.”
CEO

Situation

A major provider of domestic security products and services in Europe, was purchased by a Private Equity firm and de-listed. For the first time, cash became an issue and, despite being very profitable, the company needed to develop a strong cash culture. The Spanish office was asked to examine its cash position by the Group CFO. The project aimed to create a cash neutral position, when the company's bank covenants were to be reviewed.

Approach & Delivery

Celerant's first task was to rapidly create transparency for the company's cash position by designing and installing a bottom up cash flow forecasting model. This showed an initial cash deficit of €5.3m, but by the end of the project, a cash surplus of €0.7m had been established, together with 'black numbers' for the following quarter.

This dramatic turnaround was achieved by establishing a Cash Management Office to create ownership and decision making power, and a Cash Management MCRS®. Celerant Consulting worked with six department accountants (HR, Marketing, Contract Sales, Telecom & IT, Supply Chain and Building Administration) to identify and execute Cash Release Opportunities.

Results

A bottom up cash flow model has been designed and implemented, providing clear visibility of the company's projected cash position.


A Cash Management MCRS® has been successfully installed to assess and improve the company's cash forecasting ability.

€6m cash has been released within the 12 week project, changing the projected deficit to profit and additional cash release opportunities are still under action.

Ownership of the process has been assumed by the company.

Client Satisfaction

The client was very pleased with the learned ability to forecast cash flow, providing the business with the opportunity to actively and effectively manage its cash position.



Quick Operating Instructions

*Away: Press Code + AWAY

*Stay: Press Code + STAY

Code + Instant

ZON
1. F.D.
2. Living Room
3. Study
 CELERANT
CONSULTING