

Rapid Cash Release

Are you fit for survival?

In the current recessionary climate, access to capital is extremely limited. Cash has become the top priority, with many companies suffering from a poor cash position. Given the time lag between taking action and releasing cash, the time to act is now.

With a consensus to prepare for 10-30% revenue reductions, do you have the expertise to unlock the cash in your business to survive?

Rapid Cash Release Programme



- Rapid Cash Release is a direct response to our clients' stated requirements
 - However, it's nothing new, at Celerant we've been doing it for the last 21 years
 - It's a fundamental of good business practice
- Links Operations explicitly to Cash Generation
 - Frees up trapped cash in your business operations
- Helps "recession proof" your business
- Instills a cash mentality within your company's operations
- Is self-funding within the project lifetime
- Combines Analysis and Implementation from day one



Recent Rapid Cash Release Projects

Consumer Electronics

Align inventory levels more closely with customer demand and increase focus on cash:

- \$200m of working capital freed by reducing inventories
- Significant and early payback – results visible in 12 weeks
- Shared planning and forecasting with suppliers to reduce inventory and lead times
- KPIs and Cash MCRS® installed; WCAP process owners fully trained

Global Oil Giant

Program to achieve excellence in cash flow management on worldwide basis:

- \$38M in cash flow management savings in 13 weeks
- Further \$37M in cash savings due to improvements in accounts receivable
- 35% reduction in DSO (Days Sales Outstanding)



Contact us

Americas	+ 1 781 674 0400
Belgium	+ 32 (0) 2 762 52 38
Denmark	+ 45 35 45 90 01
Finland	+ 358 10 396 8800
France	+ 33 (0) 1 56 69 53 00
Germany	+ 49 (0) 211 58 33 00 33
The Netherlands	+ 31 (0) 20 570 5400
Norway	+ 47 22 43 29 23
Sweden	+ 46 (0) 8 670 6579
United Kingdom	+ 44 (0) 20 8338 5000

www.celerantconsulting.com



INDICATIVE SAVINGS

AREA	ILLUSTRATIVE QUICK WINS/ACTIONS	SAVING
Accounts Receivable (% of total ac. receivable)	<ul style="list-style-type: none"> Establish control with credit management office Use Pareto approach to recover large account Factoring Fast track to fix 'order to cash in the bank' process 	10% - 25%
Inventory (% of total inventory)	<ul style="list-style-type: none"> Sale off immediately slow moving and obsolete stock Stock finance Return inventory to suppliers when possible Basic boost of productivity to reduce WIP & create FGI 	10 - 35%
Accounts Payable (% of total ac. payable)	<ul style="list-style-type: none"> Establish control with payable management office Use Pareto approach to review/delay/stop payments Financing from supplier (stock financing) Renegotiate existing debt and payment terms 	10 - 25%
Pricing (% of total revenue)	<ul style="list-style-type: none"> Improvement of low profitable SKUs & customers Eliminate low performing customer or SKUs Limit and control sales process affecting gross margin 	5 - 10%
CAPEX/Asset Management (% of total unsecured assets)	<ul style="list-style-type: none"> Quick assessment of asset value and level of utilization Stop capex & dispose non-core assets, whenever possible Operational consolidation to free more assets 	10 - 20%
OPEX (% of total costs)	<ul style="list-style-type: none"> Use 'what if scenario' to cut costs wherever possible Stop all discretionary and non-core costs Suspend all external parties in non core areas Workforce rationalization 	10 - 15%

Integrated Performance Management

Where there is not a critical solvency issue, but the business needs to free up cash, we have the Rapid Cash Release programme, which can form the initial phase of our overall performance improvement framework.

- Analysis & immediate action
- Wider implementation
- Strategic change, growth and renewal

Strategic Cash Improvement Programmes

Global Chemicals Giant

Implemented world wide programme to respond to an initial cash crisis and ensure the company maintained long term sustainable positive cashflows:

- Overall cost reduction target of \$108m plus **\$55m reduction in WCAP**
- Pilot delivered annualised benefits of over \$40m with additional **\$15.5m in cash release**
- Organisational restructuring and **supplier consolidation** (700 to 50 in one department)

Specialty Chemicals Leader

Global programme across 10 countries to rightsize inventory and rationalise suppliers:

- Over **\$70m in cost benefits**
- \$37m in cash benefits**
- Results more than double initial targets
- Improved customer service levels
- Direct customers and product portfolio rationalised

Analysis & Immediate Action

Days 1 - 30

Wider Implementation

Days 31 - 180

Strategic Change, Growth & Renewal

Rapid Cash Release