Comprehensive support in Financial Management

Working capital improvement

Balanced working capital decreases financial needs and enables development of operations

Unbalanced working capital triggers increased needs for external financing

Optimizing measures

- Focus on all constituents of the NWC in order to shorten CCC
- Active support during negotiations with trade partners
- Optimization of cash management processes within the organization

Target state

- Lower NWC effecting in less capital consuming business – limited needs for external debt
- DPO>DIO
- Decreased financial costs/improved net profitability
- Increased capability of further development and potential investments (unlocked CF and stronger financial credibility)

Initial state

- Stock exceeding trade payables
- Necessity for external financing to secure daily operations
- Business becomes dependent on financial sector (volatility caused by risk of potential changes in financing partners approach)
- Limited capability of further development
- Significant financial costs decreasing profits available to shareholders

Project conducted on the basis of data provided by the client or using FinGuide's own financial and operational models with all the necessary data gathered directly from the accounting system.

Operational support

FinGuide

Working capital management

DPO

Design of purchasing policies/review and centralization of purchase process within organization

- Support in implementation of supply chain finance and/or vendor finance schemes
- Direct support in negotiation with suppliers/vendors

DSO

Design and implementation of customer credit risk management policies and processes

- Design and implementation of policies/processes/tools supporting customer credit limits management
- Support in implementation of internal debt collections teams
- Support in negotiation with external financial partners – credit risk insurers, factoring companies

DIO

Design and implementation of inventory management model including:

- Purchase order management (demand identification, approval) – considering expected/allowed stock level
- Identification and prediction of „slow-movers" and unsellable products
- Support in design and implementation of profitability models (including return on capital employed element) for defined levels (entire company, vendors/suppliers, products category, inventory item level)

Working with source data

- Mapping of data and design of data models enabling calculation and assessment of efficiency of working capital management (separated or multidimensional) at suppliers/vendors, customers, products, regions etc. level.
- Design and support in implementation of cost allocation model and profitability measurement model (including cost of capital employed element)
- Customization and implementation of FinGuide IT Tools supporting working capital management

Other services

FinGuide

FINANCING AND LIQUIDITY MANAGEMENT	FINANCIAL RISKS MANAGEMENT	OPERATIONAL EXCELLENCE	FINANCIAL PROCESSES	IT TOOLS SUPPORTING FINANCIAL FUNCTION

FINANCING AND LIQUIDITY MANAGEMENT

- **Optimization of external financing** – review of current state, detailed recommendations regarding target structure and support during the implementation phase. Participation or representation of the client during the negotiation with the financial sector. **Decrease** of financial costs and/or secure funds necessary for conducting daily operations/future development.

- **Group financing** – cash pooling, umbrella financing, cross currency and cross border financing structures

- **Long term/investment financing** – business plans and financial as well as operational projections, negotiations of financial documentations (credit and collateral agreements, etc.).

FINANCIAL RISKS MANAGEMENT

- **Currency risk management** – preparation of internal regulation/group policies as well as operational manuals. Negotiation of documentation with 3rd parties (banks, brokerage houses, etc.). Design and implementation of IT solutions and controlling schemes enabling proper reporting of foreign currency exposure and daily risk management.

- **Credit risk and account receivables collection management** – design of internal regulation/group policies as well as operational manuals. Negotiation of documentation with 3rd parties (banks, factors, insurers). Design and implementation of IT solutions and controlling schemes enabling proper reporting of the credit exposure and daily communication with financial partners (banks, factors, insurers).

OPERATIONAL EXCELLENCE

- **Business model review** including assessment of efficiency of the use of assets and assessment of the return on capital employed

- **Developing plans for improving** operational effectiveness and support in implementation or monitoring of their implementation

- **Operating cost review** – identification of inefficiencies/overspendings, estimation of available cost reduction (scenario approach), developing comprehensive cost reduction plans (split into detailed phases), support in implementation of cost reduction programs

FINANCIAL PROCESSES

- Design and implementation of the **controlling models**, policies and process

- Review of current **controlling processes** (including budgeting process) considering efficiency and completeness of each element of the process

- Design and implementation of management reporting process and made-to-measure management reports (**BI platform**)

- Financial department advisory – policies, processes, roles and responsibilities, internal controls, tools, etc

IT TOOLS SUPPORTING FINANCIAL FUNCTION

- Customization and implementation of FinGuide own IT tools supporting: **Management reporting and consolidation, Budgeting and rolling forecasts, cost allocation and cost accounting models**

- Support during **ERP implementation** project (mapping of financial processes, define of end-user requirements, support in evaluation of proposed systems compatibility with defined requirements)

- Support during **ERP implementation feasibility studies**