

Working Capital Analytics



A best-in-class approach to cash enhancement

Capgemini's Working Capital Analytics (WCA) enables you to unlock working capital tied up in payables and receivables.

WCA analyzes your payables and receivables and provides actionable insights to identify opportunities for working capital improvements.

Many companies have the opportunity to increase shareholder value by managing working capital in a more efficient manner, but are often held back by a number of internal challenges. Still, with working capital optimization increasingly on boards' radar, as they look for opportunities to enhance shareholder value, CFOs want to address those internal challenges in order to free cash that can be used to fuel growth.

Market studies show that reduction of the cash conversion cycle is a key way of freeing up cash:

- A typical *Global 2000* firm can improve cash flow by \$100 million or more just by increasing Days Payable Outstanding (DPO)
- A \$10-billion company can generate more than \$30–\$40 million/year in bottom-line savings by reducing Days Sales Outstanding (DSO)

Some of the challenges organizations face to achieve this are as follows:

- Lack of visibility across business units and regions due to huge data sets
- Lack of analytical resources and time
- Lack of tools to enable effective drilldown to do a root cause analysis
- Absence of defined methodology/tools to investigate early payments, inconsistent payment terms and reasons for delayed collections, etc.

People matter, results count.

Capgemini's CFO Analytics is a suite of business process offers that adds value to your business with:

- Revenue Assurance Analytics to boost top-line growth
- Expense Analytics to improve profitability
- Control Analytics to minimize risk and protect reputation
- Working Control Analytics to unlock working capital

A proactive approach to cash optimization

Working capital is one of the best indicators of a company's financial well-being, and its cheapest source of finance.

In search of this healthy balance sheet, CFOs and finance executives increasingly aim for sustainable improvements in the inventory management, accounts receivable and accounts payable processes to improve both their working capital position and return on capital employed (ROCE).

These companies have the opportunity to increase shareholder value by managing working capital in a more efficient manner, but are often held back by a number of internal challenges.

Unlock your working capital

Capgemini's Working Capital Analytics will help you unlock working capital tied up in payables and receivables. It will analyze the payables and receivables and provide actionable insights to identify opportunities for working capital improvements.

It enables effective analysis of working capital by:

- Improving working capital visibility
- Identifying early payment vendors and enabling corrective actions
- Improving payment run process
- Eliminating noncompliance with payment terms
- Cost savings through optimal discount utilization
- Enabling proactive collections
- Identifying frequent default customers and enabling corrective action utilization
- Optimizing payment and customer terms

Our offering comprises three modules: Payables, Receivables and Inventory. We also provide a regression-based predictive model that can be applied to accounts receivable balances, DSO, DPO, Days Sales of Inventory (DSI), cash and other target variables. We measure working capital using a centralized, standardized approach that facilitates making inter-entity comparisons.

For more details contact:

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We've done it before

- Improved DSO by 12 days and enhanced cash flow by \$198 million
- Optimized DPO to improve cash flow by 15%
- Released \$16 million through supply chain optimization



About Capgemini

With almost 145,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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