

# Cash Flow Management

VIP SOLUTIONS CASE STUDY

VIP

## BACKGROUND

Our client experienced an extraordinary disruption to the business stemming from an ERP implementation across the organization.

Following 4 months of system instability, the company has posted over \$75M of unapplied payments to their AP aging. Due to deficiencies in purchasing and receiving, the company had been unable to properly process \$69M of invoices. This caused them to have to pay vendors based upon statements rather than planned cycles of due invoices. Vendors began requiring large sum payments to prevent cutting off shipments to our client, risking disruption of service.

## OBJECTIVES



Establish process to pay urgent vendor payment requests on a weekly basis



Establish process to funnel urgent vendor communications through an approval process for expedited payments



Set up disbursement council to review and approve weekly payment plans to keep vendors on track



Develop plan to pay priority needs of the business based upon limited cash availability

## SOLUTIONS



Established a process to report weekly payment requirements from vendor requests



Established a disbursement council which met daily to ensure requests were communicated and payments were approved



Managed between \$15M-\$20M of weekly disbursements to ensure our client's vendors did not terminate agreements

**Manufacturing**  
**INDUSTRY**

**4,500**  
**EMPLOYEES**

**\$750M**  
**ANNUAL**  
**REVENUE**

**Managed between  
\$15M-\$20M OF WEEKLY DISBURSEMENTS  
through active communication with executive management,  
purchasing, production, and vendor populations**