



Cash Flow Management

Case Study

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
- + Created ongoing accounting processes and procedures and process documentation in order to train staff
- + 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

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

