



# Cash and working capital optimization

KPMG in Singapore



# Releasing cash from working capital

In complex businesses, it can be challenging to see where opportunities exist to release cash from working capital. We bring a fresh perspective to help organizations find and release cash and working capital within their business.

## Why?

Working capital optimization allows organizations to:

- Increase available cash
- Transform operations
- Fund future growth

## What?

We help clients to optimize:

- Trade receivables
- Trade payables
- Inventories

## Benefits?

- Cash release of c. 10-20%
- Streamlined processes
- Knowledge transfer and leading practices

## Timeline\*

- Initial diagnostic: 4-8 weeks
- Validation of initial diagnostic: 4-6 weeks
- Implementation of agreed initiatives: 3-12 months

## Fee arrangement\*

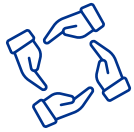
- Initial diagnostic: standard fixed fee to be agreed
- Implementation: flexible; time cost and/or contingent fee basis, or a combination

## KPMG is the clear choice

- Proprietary working capital framework
- Database of proprietary working capital hypotheses proven to drive tangible outcomes
- Hands-on implementation capability

*\* Indicative timings based on our past experience of projects covering all 3 cycles of working capital, and implementation of quick wins. The actual timelines, including the fees to be applied for our assistance, will depend on factors such as the scale of your operations, number of working capital cycles analysed, volume of data, number of agreed initiatives to be implemented etc. The structure of our fee arrangement may also be subject to the relevant professional independence rules guiding our relationship with you*

# 4 key benefits of robust working capital management



01

## Stability

A safety net during slows months or unexpected emergencies



02

## Agility

Enabling businesses to seize the moment when considering investment opportunities



03

## Reputation

Best practice discipline can help to improve trust in the market, develop sustainable relationships and unlock commercial benefits



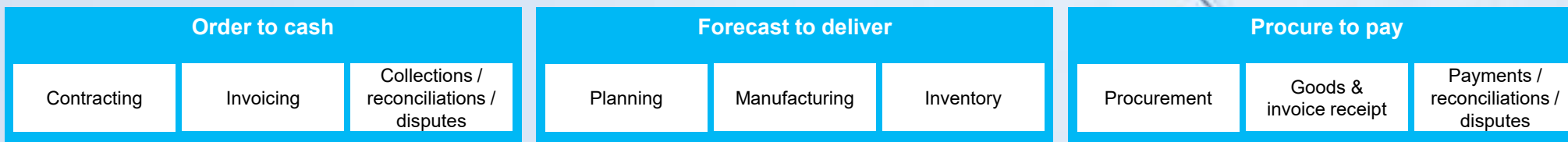
04

## Performance

Pay-down debts, reduce the cost of capital, improve free cash flow

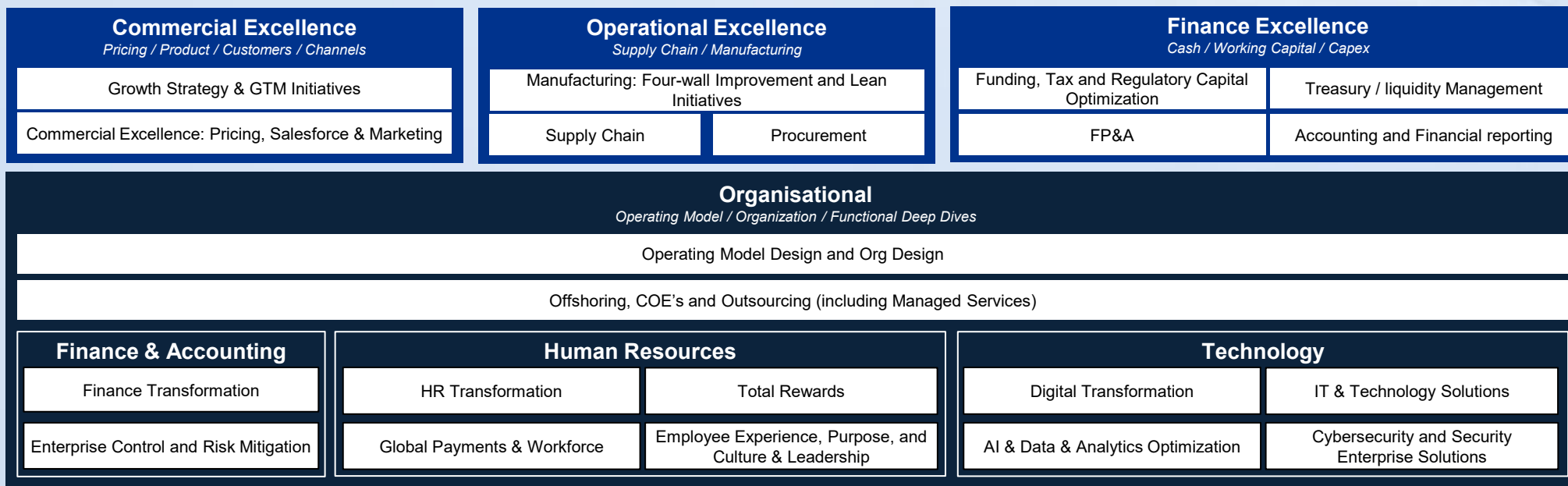
# Our cash flow analytics modules will quantify cash release opportunities, reveal economic and operational insights to refine your value creation plan

Cash flow analytics



## KPMG's proven value creation framework

Wider value creation



# KPMG has the biggest team of working capital optimization specialists, globally



# With 180+ specialists, KPMG has the biggest team of working capital advisors, globally

## What we do

- Over the past two decades, we have built the **largest working capital team globally**, with dedicated specialists in each region collaborating seamlessly to deliver value for our clients.
- We work with companies and management teams overseeing subsidiary companies to strengthen working capital and maximize cash flows.
- We focus on liberating cash trapped in working capital, but also address other cash flow drivers along with installing cash flow forecast best practices.
- We have a proud history of delivering cash release and operational improvement at speed, with a track record of more than **USD 10 billion cash release over the past five years**.
- Our approach has been **tried-and-tested** across decades of engagements and **technology-enabled** for the benefit of our clients. We recognise that working capital optimisation, as any transformation, will succeed or fail based on the buy-in from **people** across functions and markets, and that change management is key to establish **ownership** and a sustainable **cash culture**.

## Our Differentiators

**5-10%**

of revenue in cash flow improvements.

**30X ROI**

on self-funding programs.

## What we do

**3-6 months**

to deliver measurable cash value.

Identify Opportunity

Implementation

Sustain Benefits

Diagnostic  
Opportunity  
Assessment

Validation  
Opportunity  
Confirmation

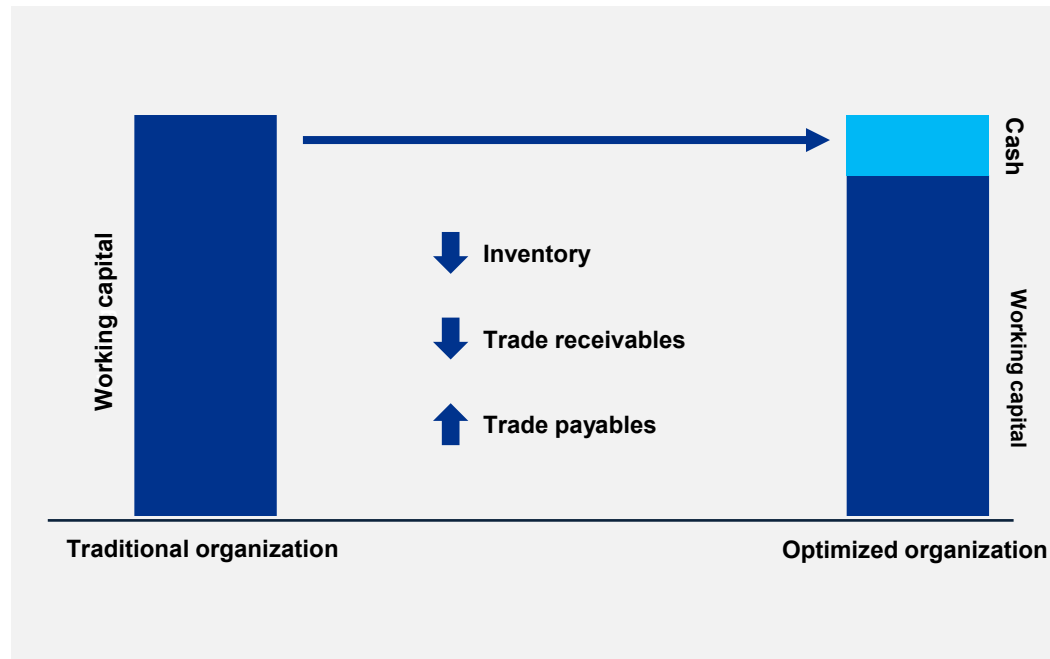
Execution  
Cash realized

**(2-4 Weeks)**

**(2-4 Weeks)**

**(3-6 Months)**

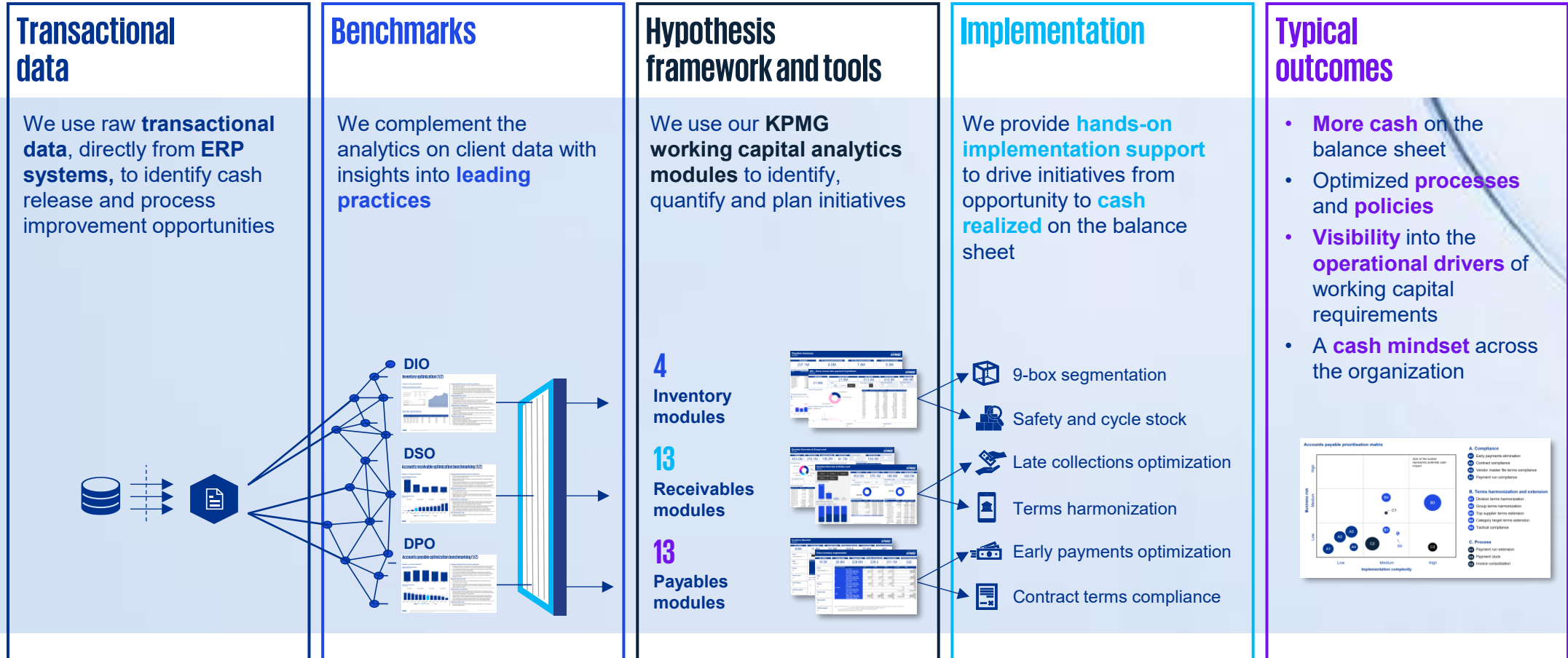
# Optimizing working capital quickly frees up cash which can be invested in enhancing financial and competitive performance



-  Release cash worth circa 5-10% of turnover<sup>1</sup>
-  Pay off debt, pursue acquisitions and pay out dividends
-  Self-fund transformation programs
-  Streamline and improve operational processes, policies and procedures in line with leading practices
-  Develop a sustainable and transparent supply chain with robust governance

Notes: (1) Generic estimates based on benefits observed on prior KPMG project experience across industries.

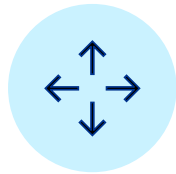
# Our market-leading technology tools allow us to quantify insights from unstructured datasets, at speed



# **Working Capital Analytics Demo**



# Our diagnostics app provides a plug-and-play Working Capital analysis with fast hypothesis and results



Transparency on client data on transactional level



Cash hypothesis will be tested?



Which actions can be taken?



Which business value can be obtained and how will success be measured?



Problem Statement

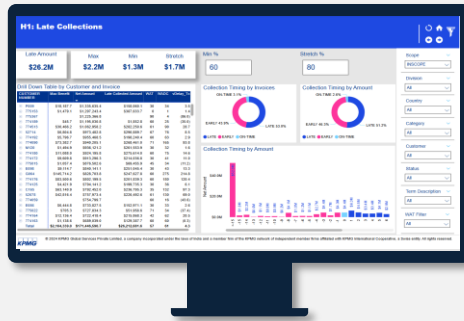
# Data analytics are enabling deeper and faster insights into working capital



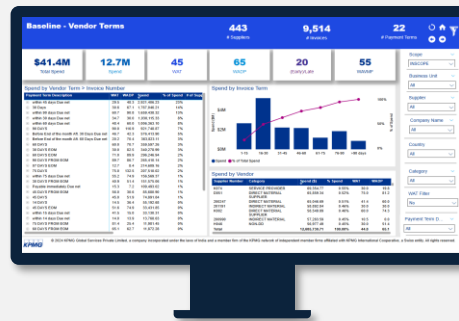
# Our tools enable us to find insights quickly and help you unlock significant value at speed.

Data Analytics Outputs

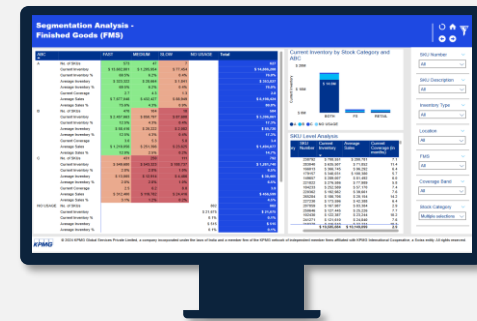
## Customer Payment Timing Analysis



## Supplier Payment Term Analysis



## Inventory Segmentation Analysis

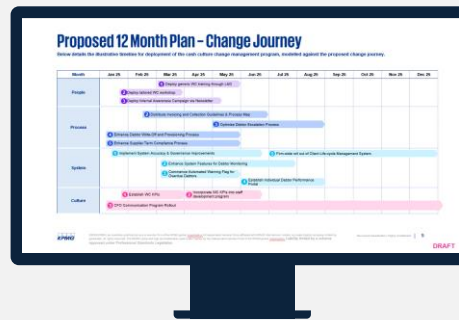


Implementation Support

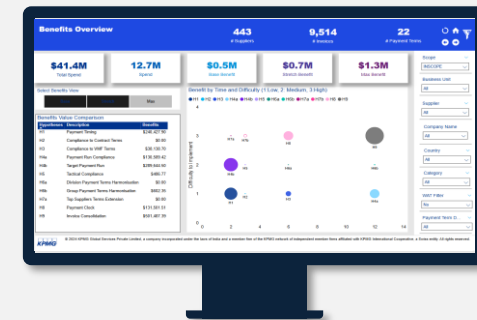
## Cash Collection Target Dashboard



## Implementation Roadmap



## Benefit Tracking Dashboard



# Get in touch



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