



Global chemical distribution company

Working capital diagnostic to identify short and long-term improvements across OTC, PTP and FTF cycles.



Client challenge

Follow a period of intense growth by acquisition, our European-headquartered client wanted to improve working capital performance for its North American operations, with a focus on the procure-to-pay (P2P) and order-to-cash (OTC) processes, and a light touch on forecast-to-fulfil (FTF).

The challenges it faced in relation to working capital performance included diversified legacy systems, approaches and procedures stemming from the acquired businesses, varying levels of process maturity by region and division, and legacy systems which did not scale up in line with recent business growth.

Our approach

Our team applied proven methodologies to develop the working capital management framework in Alteryx and Power BI. We identified potential cash benefit opportunities by different hypotheses, across policy and terms compliance and optimisation.

We used end-to-end process maturity assessment to identify gaps in best practice and provide recommendations for improvement.

We also proposed implementation timelines and strategies the client could adopt to realise the identified benefits, a significant portion of which could be realised quickly.

Benefits for the client

We were able to identify a potential working capital opportunity of US\$38m - US\$55m (4.5% - 6.5% of baseline revenue) across the three cycles:

- OTC: US\$7m – US\$10m mostly driven by improving collections effectiveness
- PTP: US\$12m – US\$18m driven by extending supplier terms and reducing pre-paid inventory
- FTF: US\$19m – US\$27m, of which 49% derived from improving product segmentation. Demand consolidation was another significant opportunity.

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