

# 10 key questions to ask yourself

- 1** Are cash and working capital metrics reviewed regularly at both board and operational levels?
- 2** Are there any opportunities to issue invoices to customers faster?
- 3** Are levels of doubtful and overdue debt decreasing and are they monitored?
- 4** Are invoicing and collection processes optimized to avoid a rush to book sales or collect cash at month-end?
- 5** Does credit risk appraisal accurately reflect the true risks across your business including risks within your supply chain as well as your customer base?
- 6** Are clear guidelines in place covering payment frequency and the basis upon which you pay suppliers?
- 7** Are supplier payment terms regularly reviewed and appropriate changes made?
- 8** Are customer and supplier terms appropriately balanced against each other and the market and do they accurately reflect what has been negotiated and agreed?
- 9** Do inventory levels respond rapidly to changes in demand, while accommodating pressures to maintain service levels?
- 10** Do you have detailed visibility of your inventory at all points of your supply chain including inventory held by key customers and suppliers?

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# How much control do you have?

## Cash and working capital

How EY can assist

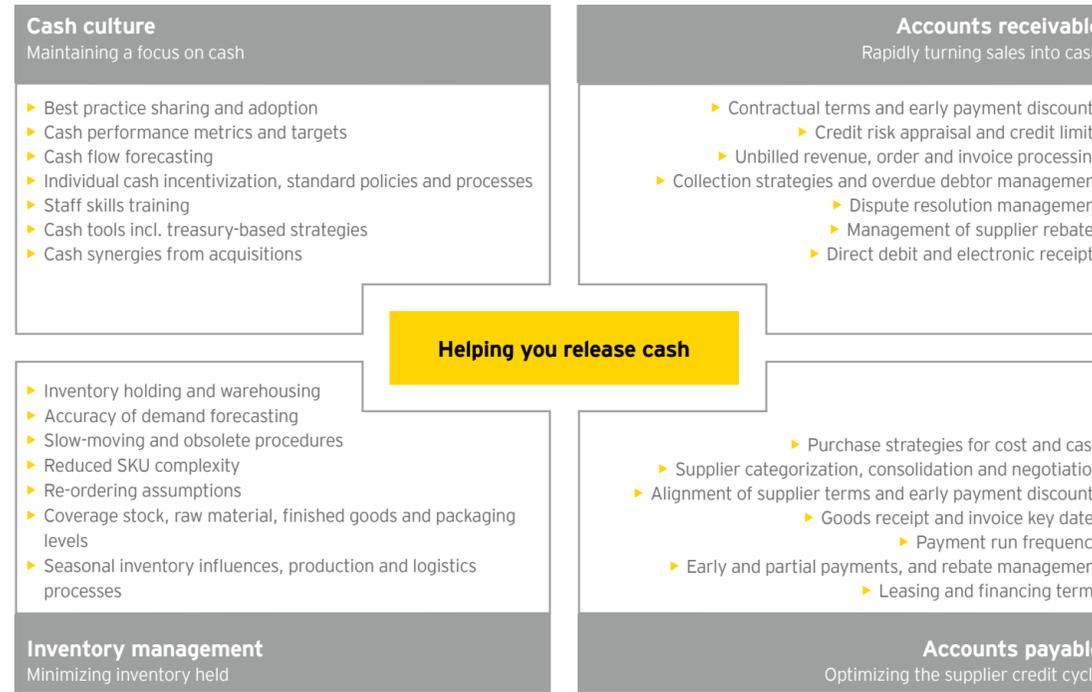
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working world

# Why EY?

Three reasons why EY is the preferred choice:

- ▶ EY has the largest and most experienced German-speaking working capital management team
- ▶ EY's working capital practice consists of over 100 dedicated professionals in Europe, the Americas and Asia Pacific, working together using a uniform approach
- ▶ EY provides a large portfolio of working capital services (e. g., cash flow forecasting, working capital reporting and integration, cash related tax advisory, shared services, cash risk and working capital performance management, financing and factoring)

**Fast and sustainable - a first step in changing working capital performance**



# Selected past clients

- ▶ Alessa Chemie
- ▶ American Express
- ▶ Associated British Foods
- ▶ Avis
- ▶ BASF
- ▶ B. Braun
- ▶ BP
- ▶ bPost
- ▶ Bristol Myers Squibb
- ▶ British Telecom
- ▶ BSkyB
- ▶ Cable & Wireless
- ▶ Carefusion
- ▶ Dell
- ▶ Dole Foods
- ▶ Diageo
- ▶ Disney
- ▶ Deutsche Telecom
- ▶ Dow Chemical
- ▶ Elster Group
- ▶ EMU
- ▶ Ericsson
- ▶ ePlus
- ▶ Flint Group
- ▶ Fresenius
- ▶ General Dynamics
- ▶ Hansa/KWC
- ▶ HC Starck
- ▶ Heineken
- ▶ Hilton
- ▶ HSBC
- ▶ IBM
- ▶ Invensys
- ▶ Johnson Controls
- ▶ Kabel Deutschland
- ▶ Kion
- ▶ Klockner Pentaplast
- ▶ KPN
- ▶ Kwik Fit
- ▶ Merck
- ▶ Molson Coors
- ▶ Mylan
- ▶ Nortel
- ▶ Orangina
- ▶ Orion Engineered Carbons
- ▶ Paul Hartmann
- ▶ Pfizer
- ▶ Phoenix
- ▶ Premier Foods
- ▶ Raytheon
- ▶ Reed Elsevier
- ▶ Reuters
- ▶ Sabic
- ▶ Samsonite
- ▶ Sanitec
- ▶ Scottish and Newcastle
- ▶ Shaeffler
- ▶ Shell
- ▶ Siemens
- ▶ Sikorsky
- ▶ Suncor Energy
- ▶ Stada
- ▶ Swiss Re
- ▶ Takeda
- ▶ Tarkett
- ▶ Telewest
- ▶ TIM Hellas
- ▶ TNT
- ▶ Unilever
- ▶ United Biscuits
- ▶ United Technologies Corporation
- ▶ Vattenfall
- ▶ Vodafone
- ▶ Warner Music
- ▶ Xerox

# EY has a track record of sustainable benefits and speedy delivery

<p><b>Working capital analysis</b></p> <p><b>Pharmaceuticals</b> WC improvement identified: 21 %</p> <p>Major pharmaceutical player with an annual revenue of over CHF 40 billion and entities in more than 50 countries. Y analyzed receivables and payables processes and identified a 21 % working capital improvement equivalent to 10 % based on sales.</p>	<p><b>Working capital analysis</b></p> <p><b>Food supplement</b> Cash identified: CHF 6-15 million</p> <p>Specialist manufacturer with a revenue of CHF 60 million. EY reviewed the total working capital performance for the company's main markets around the three processes (OTC, FTF, PTP). For OTC, the analysis focused on the two main distribution channels (pharmaceutical and retail).</p>	<p><b>Working capital analysis and implementation</b></p> <p><b>Medical devices (PE)</b> WC improvement: 11 % of revenue</p> <p>Orthopedics company with a revenue of CHF 500 million looking for ways to generate cash. EY provided a full scope working capital review with the objective of rapidly releasing and sustaining cash including "quick wins". A working capital improvement of 11 % of revenue was identified, of which 60 % was realized within six months.</p>	<p><b>Working capital analysis and KPI development</b></p> <p><b>Fitting manufacturer</b> Cash identified: CHF 26 million</p> <p>EY analyzed payables, inventory and receivables processes to the client and defined an action plan to implement KPIs that deliver the identified cash potential (10 % of sales) within two business units. Furthermore a KPI reporting toolkit was developed to track and measure the improvement.</p>	<p><b>Working capital analysis and implementation</b></p> <p><b>Automotive 2nd tier</b> Cash identified: up to CHF 220 million</p> <p>EY reviewed the total working capital performance of payables, inventory and receivables. A cash improvement of CHF 220 million was identified in the analysis project and implemented in the European facilities. 80 % of the working capital improvement was achieved during the first year.</p>	<p><b>Working capital analysis and implementation</b></p> <p><b>Oil and gas</b> Cash identified: up to CHF 3 billion</p> <p>Global oil corporation with annual revenue of CHF 312 billion. The total working capital project identified in several phases opportunities of CHF 3 billion agreed with management. CHF 960 million was delivered within the first three months.</p>
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