



Managing The Cash Cycle Accounts Receivable & Payable Best Practices

Course Description:

This 5-Module seminar will provide a leading edge forum for you to significantly improve your working capital management skills. You will gain a comprehensive range of very practical and highly effective tools and approaches that can be immediately implemented upon your return to work. Due to the recent credit crisis sweeping the global economy, fluctuating interest rates, increasing competition and growing uncertainty, the effective management of working capital has become critical to successful businesses. Indeed, managing working capital on a day-to-day basis is probably the most important task for financial managers or anyone involved in managing a successful organization.

Training Objective:

SEMINAR OBJECTIVES

This truly complete seminar, in a comprehensive ten Module format, provides the delegate with an effective collections tool-kit and presents complex concepts in easily understood modules. This programme is unique in two ways:

- the comprehensive approach to the subject matter and
- the instructor's interactive & engaging approach to facilitation

BENEFITS?



This seminar provides a user-friendly environment to develop the knowledge and techniques related to both accounts receivable and accounts payable and is valuable for:

- Finance Managers
- Accountants
- and others who are working within Transactional Finance, Accounts Payable or Accounts Receivable process or who wish to develop a practical toolkit to complement their existing professional or technical skills
- Ideal for General Managers or Commercial Directors wishing to develop their understanding of how Working Capital efficiencies can make a significant improvement to profitability
- Or you may already be employed as a supervisor, team leader, manager, senior manager/director, or vice-president in any of these functions within the business

Who Should attend?

Finance Professionals, Finance Managers, Senior Accountants, Accounting & Budgeting Personnel, Corporate Controllers, Financial Controllers, Treasury Professionals, Chief Accountants, Accounting Managers, Accounting Professionals, Financial Executives, Auditors, Financial Analysts, Bankers, Investment Bankers, Senior Accountants, Banking Professionals, Corporate Business Professionals, all accounting and finance professionals who are currently working, or seeking to work, in the financial planning, analysis, budgeting and forecasting domain within their organizations.

Training Methods:

The instructor engages all of the delegates, both in the presentation of the material and the programmer sessions, so that everyone walks away with a working knowledge of the material and the ability to use them immediately.

Course Content:

SEMINAR SUMMARY

Working capital management influences both a firm's risks and its expected returns. After completing this programme, you will be aware of the risk-return tradeoffs that are implied in financial forecasting, know the process of financial planning, the importance of managing cash inflows and outflows, how to finance short-term assets, and make the right decisions on financing and investment for your firm.

DAILY SEMINAR SCHEDULE

MODUL1 - An Introduction to Accounts Receivable

- Working Capital and Cash Management
 - Managing working capital
- Cash management and the bank facility (line of credit)
- Understanding "the cost of credit"
 - Why credit management is important to the survival of businesses
 - The 'order to cash' process
 - Understanding "risk" in "credit"
- Accounts Receivable and effective customer service
 - Identifying underperforming areas to increase customer satisfaction

MODUL2 - Customers and trading terms

- Terms of trading
- Customer credit evaluation
- Tools and techniques of financial analysis: ratios; trends; common size analysis
 - The best performance measure - cash or profit?
 - Financial distress and the Altman's Z score-type analyses
 - Trend analysis
 - Common size (or horizontal) trend analysis of financial statements
 - Vertical trend analysis of financial statements
- Segmental analysis of financial statements
- Value added analysis of financial statement

MODUL3 – Developing Effective Strategies to Maximize Cash Collection

- Identifying effective “pre-delinquency” collection campaigns
- Defining “post-delinquency” activities
 - Customer-sensitive collection strategies
 - Collection techniques and letter cycles
 - Appropriate internal and external escalation steps
- Using workflow management to maximize collector performance

MODUL4 Practical Collection tools and Techniques

- Eliminating barriers to payment
 - Good practice in billing management
 - Managing customer queries
- Recognizing excuses and delaying tactics
- Providing solutions to non-payment
- Litigation and recoveries
 - Legal steps and enforcement
 - Telephone Collection Techniques
- Preparing for the call
- Negotiation skills for successful collections
- Communicating and listening skills
- Building relationships with customers

MODUL5 – Managing the Receivables Ledger

- Developing effective internal relationships to maximize performance
- Setting targets and tracking performance
- Managing information that dazzles
- Defining meaningful KPI's
- Latest Developments in Accounts receivable management

MODUL6 – Accounts payable, financial accounting and the supply chain

- The Accounting environment
 - Accounting and financial information
 - Accounting terminology
 - Sources of finance

- The supply chain
- Financial position and financial performance
- The structure of the profit and loss account (Statement of Comprehensive Income)
- What does the Statement of Comprehensive Income tell us about a company?
- The structure of the balance sheet (Statement of Financial position)
- What does the Statement of Financial position tell us about a company?
- Cash flow and DCF
- Why is cash flow so important?
- The structure of the statement of cash flows
- Capital and revenue expenditure
- Capital expenditure and discounted cash flow (DCF)

MODUL7 – Evaluation of suppliers

- Suppliers and trading terms
 - Suppliers, products, and prices
 - Supplier choice
 - Terms of trading
 - Supplier credit analysis
 - Business ratio analysis
 - Finding and using data and information
 - Tools and techniques of financial analysis: ratios; trends; common size analysis
 - The use of financial ratios: profitability ratios; efficiency ratios: liquidity ratios; investment ratios; financial ratios; the DuPont system
 - The best performance measure – cash or profit?
 - Financial distress and the Altman's Z score-type analyses
 - Trend analysis
 - Common size (or horizontal) trend analysis of financial statements
 - Vertical trend analysis of financial statements
 - Segmental analysis of financial statements
 - Value added analysis of financial statement

MODUL8 – Accounts payable systems

- Purchase Order Processing (POP)
 - The acquisition/payment process
 - Purchase requisition

- Purchase authorization
- Purchase order
- Stock (inventory) control
- Goods received
- Returned goods
- Physical stock control
- Links with the general ledger
- Accounts payable (AP)
- Invoice registration
- Invoice matching
- Invoice payment
- AP links with the general ledger (GL)

MODUL9 – Payment methods and cash management

- Methods of Payment
 - The payment process
 - Traditional payment methods
 - Electronic funds transfer (EFT)
 - International payments
- Working Capital and Cash Management
 - Working capital and the working capital requirement
 - Managing working capital
 - Cash improvement techniques
 - Cash management and the bank facility (line of credit)
- Leasing versus Borrowing to Buy
 - Why lease?
 - Operating leases
 - Financial leases
 - Lease evaluation

MODUL10 – Risk and uncertainty

- **Risk Analysis**
 - Analyzing risk: expected values; value of perfect information (VOPI); standard deviation
 - Risk and uncertainty decision rules
 - Scenario, sensitivity, and break-even analysis techniques
 - Types of risk



- **Risk Management**

- Risk management principles
- Talking to your bankers about managing risk
- The analytical tools to manage risk
- How to develop the tools for your company
- How to minimize risk: insurance and hedging