



Cash Flow Planning and Forecasting

INTRODUCTION

One of the primary challenges of the manager in business is to hold the right amount of cash for the particular requirements of that business. Virtually every decision the manager makes has an implication for finance, and, ultimately, for the cash balance of the business. This seminar focuses on the challenges and techniques of cash flow management such as the management of the elements of working capital and of the distributed cash balances around the business. In particular, you will learn about the reasons why businesses hold cash, the working capital cycle of the business, why profit and cash flow are not the same, management of the elements of working capital, cash collection, and concentration systems, forecasting cash requirements and budgeting capital expenditure.

OBJECTIVES

Delegates will be able to:

- Recognize the importance of effective cash-flow management
- Effectively manage collection and disbursement of cash
- Develop better relationship with banks
- Calculate cash operating cycles
- Understand the importance of cash concentration system
- Understand the different issues involved with cash budgeting
- Forecast cash flows
- Understand the basics of managing multinational cash flows

COURSE CERTIFICATE

EcoMan certificate will be issued to all attendees completing minimum of 75% of the total tuition hours of the course.

TRAINING METHODOLOGY

This is an interactive course. There will be open question and answer sessions, regular group exercises and activities, videos, case studies, and presentations on best practices. Participants will have the opportunity to share with the facilitator and other participants on what works well and not so well for them, as well as work on issues from their own organizations. The online course is conducted online using MS-Teams/ClickMeeting.

WHO SHOULD ATTEND?

Managers at all levels in the organization have a part to play in the management of cash. In particular the following will find this seminar very helpful:

- Financial managers, finance controllers, treasurers, accountants and inventory managers
- Senior managers with a direct responsibility for financial management and control
- Sales and purchasing managers
- Managers responsible for relationships with banks
- Any other manager who is a part of the financial decision-making team

COURSE OUTLINE

❖ Day 1: Introduction to managing cash

- What comprises cash?
- Why hold cash?
- Cash budgeting
- Cash cycle
- Why profit and cash are not the same

❖ Day 2: Managing the components of the operating cycle

- Inventory management
- Basics of managing the average inventory balance
- The optimal quantity to order
- Monitoring the inventory balance
- Reducing the size of the inventory investment
- Accounts Receivable Management
- Credit policy
- Granting credit
- Monitoring and collecting receivables
- Accounts Payable Management

- Monitoring the payables balance
- Payment decisions
- Payment systems

❖ Day 3: Cash Collections

- Float
- Types of collection systems
- Cash concentration
- The basic structure of a cash concentration system
- Cash transfer tools
- Benefits of a concentration system

❖ Day 4: Managing the bank relationship

- Services provided by banks
- Letters of credit
- Bank selection & relationship management
- How banks charge for services

❖ Day 5: Cash forecasting and Capital Budgeting

- What is the cash forecast?
- Why do we need a forecast?
- Steps in the forecasting process
- Forecasting sales and collection patterns
- Forecasting purchases and payment patterns
- An example of the preparation of a cash flow forecast
- Capital Budgeting
- Methods of appraisal

ACCREDITATION

