



EMBEDDING A CASH CULTURE; CREATING SUSTAINABLE CHANGE

IDEAS | PEOPLE | TRUST



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Jenny leads BDO UK LLP's Working Capital Advisory practice.

She has led successful working capital optimisation programmes for large blue-chip clients, globally. She's worked for businesses with a variety of organisational structures across many sectors including food & beverage, pharmaceuticals, chemicals and professional services. Jenny has been consulting for over 12 years with a particular focus in the area of Working Capital Management, Procurement and Finance Function Advisory.

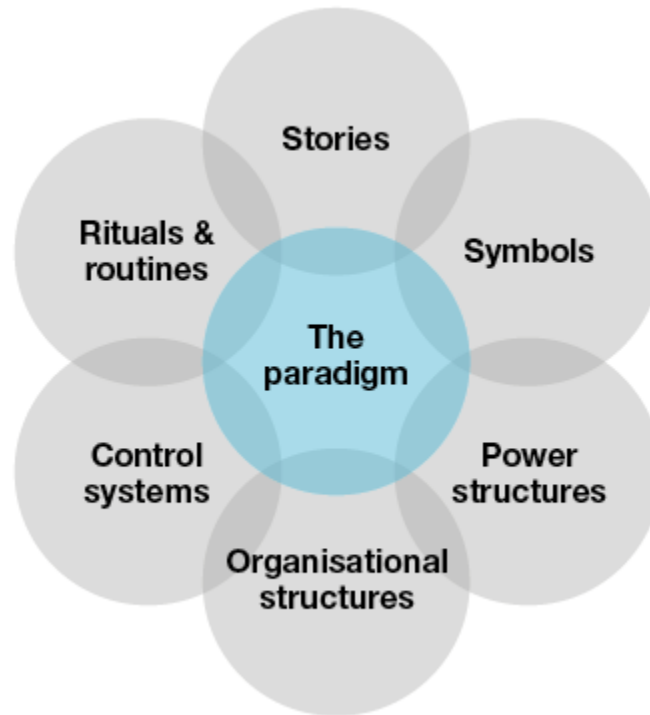
She has advised FTSE 100, AIM, PE-backed businesses, as well as Public organisations

Prior to becoming a consultant, Jenny held Supply Chain and Procurement roles with BMW in Germany and the US, and Estee Lauder in the UK.

WHAT IS ORGANISATIONAL CULTURE?

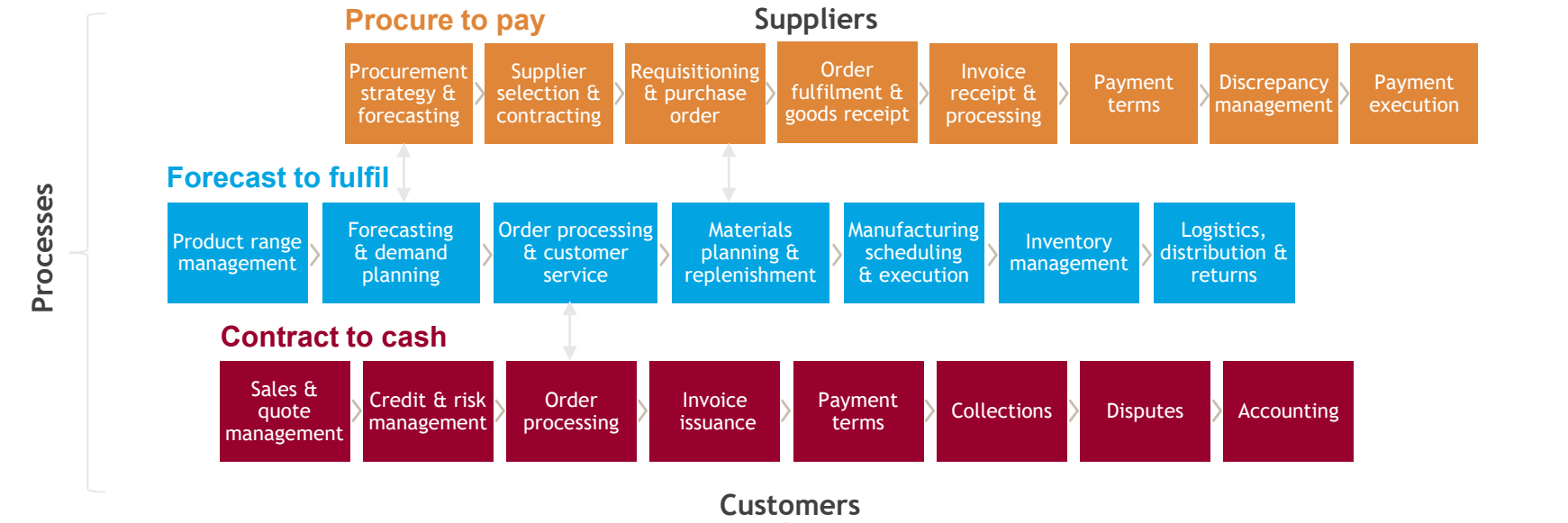
Culture can be defined as:

‘a system of shared assumptions, values, and beliefs which governs how people behave in organisations.’



HOW CAN THIS BE ADOPTED TO DRIVE A CASH CULTURE?

Working Capital levers



Procure to pay (P2P)

- Contract terms and conditions
- Policies and process
- Compliance and system housekeeping
- Value for Money

Forecast to fulfil (F2F)

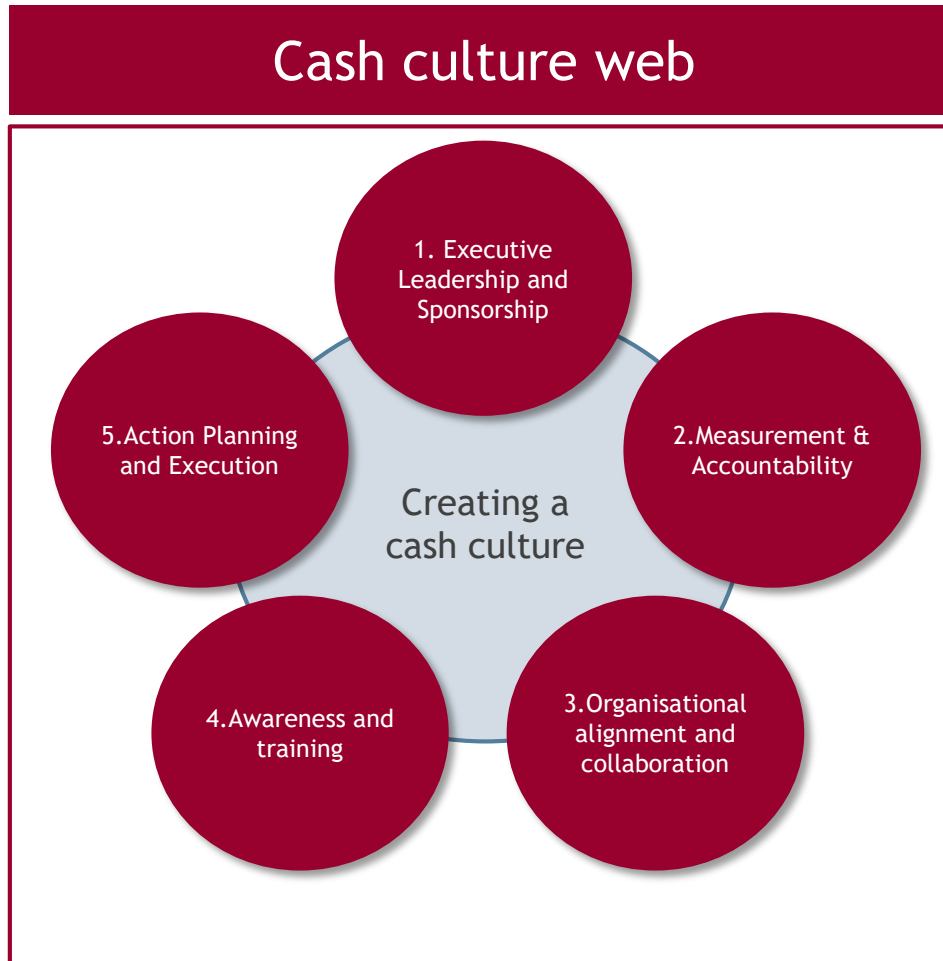
- Product lifecycle management
- Sales & Operations Planning (S&OP)
- Customer service levels
- Quality of systems and data:
- Production strategy

Contract to cash (C2C)

- Customer creation and set up
- Invoice timing and accuracy
- Collection strategies
- Dispute resolution management and escalation and credit notes

HOW DO WE EMBED A CASH CULTURE?

The key to working capital optimisation is to embed a 'cash culture' within your organisation



1. EXECUTIVE LEADERSHIP AND SPONSORSHIP

- *What is the message conveyed by the Board and management team? How important is this to the organisation? Where does this sit on the list of strategic priorities?*
- *What is the nature of the CFO's role in the initiative?*
- *Who is involved in the steering/project management committee?*

2. MEASUREMENT AND ACCOUNTABILITY

- *Do you know how you are performing and what the opportunities are to improve?*
- *Have you got an understanding of the potential of your organisation and associated targets?*
- *Do you have metrics to monitor working capital performance?*
- *How readily available is data to calculate metrics?*
- *Are metrics and incentives in place to hold the relevant function or individual accountable?*

3. ORGANISATIONAL ALIGNMENT AND COLLABORATION

- *Is working capital optimisation the sole remit of one team or is it a business-wide initiative?*
- *How are your teams structured, i.e. centralised vs. decentralised?*
- *Are functions aligned on the organisational strategy, e.g. Procurement negotiating discounts for EBIT gains and agreeing reduced payment terms?*

4. AWARENESS AND TRAINING

- *Do people know what the impact of their actions has on the working capital position of your organisation?*
- *Do you have clearly defined policies and procedures?*
- *Does training exist to ensure to ensure skills are aligned to best practices and instil an awareness of optimised processes?*

5. ACTION PLANNING AND EXECUTION

- *Does your organisation have initiatives to improve cash flow?*
- *What areas are covered by your cash flow initiatives?*
- *Do you have a structure to consider continual improvements in relation to working capital?*



THANK YOU FOR LISTENING

QUESTIONS?

FOR FURTHER INFORMATION:

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