

WORKING CAPITAL

Who is responsible for working capital in your company? What are the key processes? How is working capital monitored and controlled? How are you tackling issues which are particularly pertinent in the current economic environment?

These were just some of the questions put to three treasurers in very different industries: engineering; retailing; and advertising/marketing. **Chris Hall** has summarised his interviews with Robin Graham-Adriani of FKI, Bob Howell of Tesco and Stephen Wilson of Cordiant in our first article. Thank you to the 'three treasurers' for sharing in such detail their processes and initiatives. I am sure this feature will be of interest to all treasurers.

The next two articles demonstrate the importance of being able to look across the entire business value chain to identify the key activities which impact working capital management. **Pat Leavy** of FTI goes so far as suggesting that a corporate should implement a system just as the US government are deploying 'Son of Star Wars' defence capabilities. The article *Trends in Working Capital Management* by **Malcolm MacDonald** of KPMG shows how new technology can be used by the finance function to collaborate fully, co-ordinate key activities and monitor outcomes, all in real time.

Any company, however sophisticated their management systems, must always monitor for major pitfalls. **David Lock** of REL Consulting provides us with a summary of ten of the most common mistakes found in businesses large and small. Some of them are blindingly obvious when you read them in black and white but it seems no-one is immune.

Monitoring and managing the quality of the debtor base is crucial to a company's ability to collect cash promptly. Two tools to achieve this are robust credit vetting and the use of credit derivatives. **Chris Daniels** and **Claus Mikkelsen** of Barclays Capital outline how the market has developed for credit derivatives and demonstrates how easily protection can be priced and structured.

As illustrated in the first article each industry has its own unique working capital management relationships. **Gordon Ibbotson** of FSMD provides an insight into the key issues for housing associations, an area which not that many treasurers will come across, but fascinating nonetheless.

What extra measures have you put in place during the economic slowdown?

GEORGE SAWTELL
Cable & Wireless plc