Cash Maximization Framework: A Roadmap to Financial Efficiency

Key Strategies to Improve Liquidity and Reduce Cash Flow Risks



Assessing Current Cash Flow

To maximize cash, the first step is understanding how money moves through your business. A detailed assessment of cash inflows, outflows, and liquidity positions helps identify inefficiencies and hidden cash leaks.



Cash Inflows

- Revenue Sources
- Payment terms
- Collection efficiency

Cash Outflows

- Expenses
- Capital Expenditure
- Debt Servicing

Liquidity

- Cash Reserves
- Credit Lines

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Key Strategies

Revenue Acceleration	• Optimize invoicing & Collections • Implement Smart Pricing strategies • Strengthen Credit policies
Expense Optimization	• Reduce unnecessary expenses • Negotiate better vendor terms • Streamline procurement
Working Capital Management	• Improve Inventory Turnover • Extend supplier payment terms • Accelerate Receivable collection
Treasury & Liquidity Management	• Forecast cash flow better • Implement cash pooling strategies • Invest excess cash wisely

Once you've assessed your cash flow, the next step is implementing targeted strategies to increase cash inflows, optimize expenses, and improve working capital efficiency.

By applying these strategies, businesses can free up trapped cash, improve financial flexibility, and strengthen long-term stability.

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Operating framework

After identifying key strategies, execution and continuous monitoring are essential to sustain cash flow improvements. Companies must establish clear processes, track performance, and adapt strategies based on real-time data.



Execution: Turning Strategy into Action

- **Set clear ownership & accountability** for cash maximization initiatives within finance, treasury, and operations teams.
- **Develop a structured implementation plan** with realistic timelines and milestones.



Monitoring & Performance Tracking: Measuring Impact

- **Track key cash flow metrics**, such as Days Sales Outstanding (DSO), Days Payable Outstanding (DPO), and Cash Conversion Cycle (CCC).
- **Conduct regular cash flow variance analysis** to identify gaps between projections and actuals.



Continuous Improvement: Adapting to Business Changes

- **Reassess financial strategies** based on market conditions, economic changes, and internal performance.
- **Encourage cross-functional collaboration** to identify new opportunities for cash flow enhancement.

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Implementation Roadmap

In the short term, we focus on quick wins to improve cash flow visibility and reduce inefficiencies. Moving into the medium term, we refine processes, implement stronger controls, and optimize working capital. Finally, the long-term phase ensures that your business can sustain optimal cash flow through strategic financial planning, forecasting, and automation.

