

## Services provided by Auxiliatus Limited - Cash Flow

Are you ever kept awake at night wondering how you will pay your bills, your staff and the IRD? Does it seem that no matter how hard you work and how much profit you make, at the end of the year there's no more cash in the bank than at the start?

***I work with you and your finance team to show you how to forecast cash flow requirements, showing you how best to use the results of the cash flow analysis, including improving the communication with your bankers and other key stakeholders.***

By discussing the most common problem areas for cash flow management in businesses today and determine what are the best strategies and behavioural changes you can employ to generate more cash in your business.

**Some areas where I have assisted business owners improve the cash flow in their business include:**

1. Where necessary, change operations and associated behaviours that support the strategic vision
2. Develop annual (Governance) and weekly (Operational) cash flow models for your finance team to use
3. Implement rigorous cash management policies and procedures, including developing reporting to key stakeholders
4. Ensure that accountabilities exist for any key strategies put in place

With over 20 years experience helping business owners improve their results, I am an independent business consultant specialising in the start-up and Private Enterprise market. I provide value by delivering targeted and objective business advice.

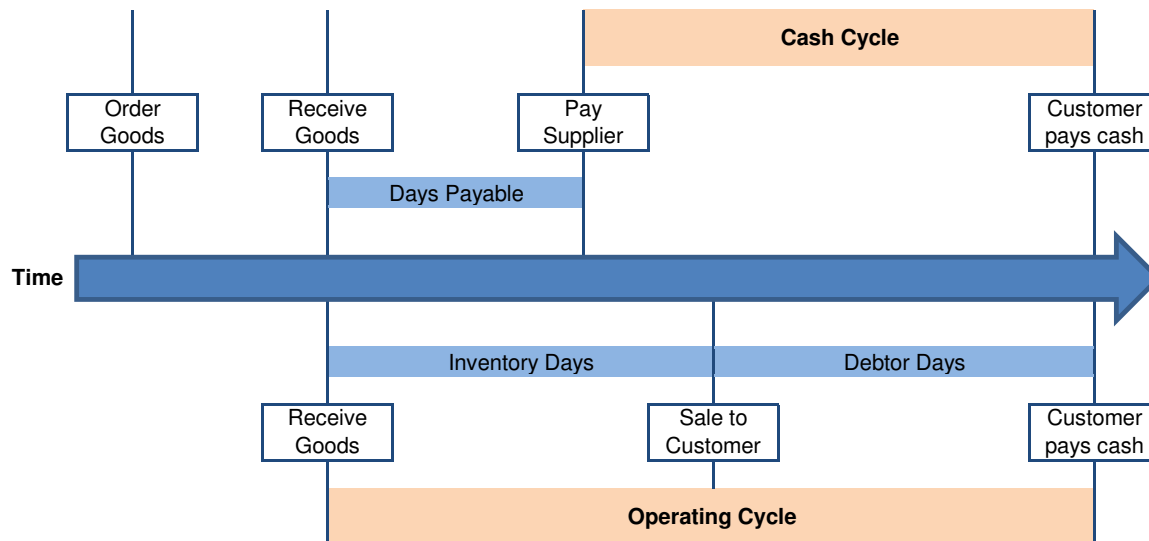
**Contact me today to see where I can help you**

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## Components of working capital management

**"Operating cycle" and "Cash cycle"** are two important components of working capital management. Together they determine the efficiency of a firm regarding working capital management.



**"Cash cycle"** is the number of days between the payment for inputs and getting cash by sales of products manufactured from that input.

**A short cash cycle reflects sound management of working capital.**

A long cash cycle shows that capital is occupied while the business is waiting for Customers to make payments.  
*Some ways to improve the cash cycle include contract negotiation, behavioural change & performance monitoring*

**"Operating cycle"** is the number of days taken from the receipt of inventory through to cash from Customers.

**This indicates the time period for which cash is engaged in inventory and accounts receivable.**

If an operating cycle is long, then there is lower accessibility to cash for satisfying liabilities for the short term.  
*The longer the operating cycle, the longer cash is inaccessible for other functions, for instance investment in new opportunities.*