



### TREASURY MANAGEMENT IN BANKING SERIES

# The How's and Why's of Strategic Cash

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#### COURSE LENGTH

Two 2-Hour Virtual Sessions or  
One Half-Day In Person

#### DESCRIPTION

Treasury department responsibilities can be simplified as owning all decisions around cash for their companies. Phases of this process include receipt, concentration, risk assessment and deployment. Understanding these decision points can help Treasury Management officers support their clients and deepen the relationship. In this seminar, associates will learn about the strategic cash process and the criteria for why Treasury professionals make the decisions they do. Learning can then be applied to structuring the conversation in your client meetings to focus on solutions around these real-world tasks.

#### LEARNING OBJECTIVES

- Ability to classify the different source of cash
- Understand the components of the cash conversion cycle and how changes to each impact the overall timeline
- Analyze a company's capital structure and understand how this impacts their banking needs

- Understand the common cash forecasting strategies used by companies
- Understand cash deployment strategies and how to support a company's unique liquidity management need

#### AGENDA

- Understanding the cash conversion cycle:
  - Components of the Cash Conversion Cycle
  - Evaluating the Impact of Changes to the Cash Flow timeline
  - Factoring or reverse factoring
- Identifying relevant cash flows:
  - Operating cash flows
  - Investing cash flows
  - Financial cash flows
- Capital structure theory in practice:
  - Capital structure
  - Determining the Cost of Capital using Weighted Average Cost of Capital (WACC)
  - Approaches to capital structure
  - Optimal capital structure

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- Working Capital needs:
  - Company's current assets and liabilities
  - Working capital metrics
  - The link between the Cash Conversion Cycle and working capital
  - Financial impact of accounts payable and receivables
- Understanding Cash flow forecasting:
  - Purpose of cash flow forecasting
  - Types of forecast
  - Forecasting process
  - Forecasting methods
  - Best practices in cash flow forecasting
- Cash concentration techniques:
  - Netting
  - Cash pooling
  - Virtual accounts
  - In-House Bank
- Strategic cash deployment decision tree:
  - Setting priorities for use of excess cash
  - Addressing risk reduction concerns
  - Interest rate sensitive deployment
  - Opportunities for greater returns on investments
  - Capex spending (cash to the highest returning projects)
  - Stock buybacks or dividends