As treasurers play a more strategic role within finance organizations, having well controlled and streamlined operations allow them to focus on key transformative areas within the business.

The FTI Consulting Office of the CFO Solutions team works collaboratively with clients to simplify cash management operations, improve cash flow and liquidity, enhance short and long-term cash flow forecasting, optimize capital allocation, strengthen controls and manage risk. Our mission is to ensure our treasury clients operate as an effective business partner with a focus on maximizing returns and driving shareholder value.

Our solutions are designed to enable treasury organizations to expand their strategic capabilities and optimize their day-to-day processes, which are critical to ensuring that the company operates smoothly.

Working side-by-side with our clients, we develop solutions that help improve and forecast cash performance. We also play a hands-on role in supporting underlying processes that both govern and operationalize the treasury function as a whole.

**WORKING CAPITAL AND LIQUIDITY MANAGEMENT**

Drawing upon our deep expertise with treasury operations, we evaluate the company’s current working capital and liquidity management performance and tools to identify potential opportunities for improvement. We drive more visibility into liquidity by augmenting the existing cash flow model or developing a new model to be used as an ongoing business management tool. We also improve working capital management by delivering tangible and sustainable results through:

- Upfront diagnostics that landscape and prioritize total working capital opportunities across the company
- Days sales outstanding (“DSO”) segmentation and visibility
- Best possible DSO, days payable outstanding (“DPO”) and days inventory outstanding (“DIO”)
- Customer/vendor term rationalization
- Customer/vendor master data cleanup

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**CLIENT SUCCESS STORIES**

- **Identified and executed** $270 million to $380 million working capital saving opportunities and developed an analytical model tied to enterprise resource planning (“ERP”) systems to track performance data for a $6 billion carve-out company.
- **Built a global treasury function and managed cash activities** for a $5 billion carve-out acquisition of an international chemicals company.
- **Assisted the treasury organization** of a $10 billion equipment and transportation company to assess the liquidity, leverage and ratings impact of various strategic actions, including a spin-off and other asset monetization and capital allocation decisions.
- **Redesigned cash forecasting processes,** led liquidity enhancement initiatives and implemented a new bank account management system and flow of funds with over 5,000 bank accounts for a global residential mortgage company.
- **Assumed interim treasurer role,** transferred cash management operations, financed requirements and improved efficiencies for a $1 billion direct-to-market apparel retailer.
- **Designed and implemented a comprehensive liquidity forecasting and reporting process within the treasury organization of a regulated banking institution.**
- **Worked with the treasury department** of a $2 billion company to develop a framework to assess returns and improve investment decisions.
Treasury Solutions

- Process and control improvement
- Improved visibility through dashboards
- Driver-based metrics and key performance indicators
- Inventory consolidation and reduction of stock levels

CASH FLOW FORECASTING
We design or optimize 13-week or five-day cash models along with other cash forecast models, procedures and tools. Further, we implement tactical improvements to the upstream data collection and analysis processes, which will allow the company to:

- Analyze outflows and relevant payment data to identify potential errors or process inefficiencies such as duplicates or early payments.
- Perform a collections assessment on receivables data to highlight potential collection opportunities and develop a short-term remediation plan.
- Review historical collections trends to assess if there are broader, strategic opportunities to improve overall cash performance.
- Monitor working capital and liquidity performance in real-time.

STANDING UP A TREASURY FUNCTION
We assist financial sponsors or newly spun-off entities with standing-up treasury departments in situations where a division is carved out of a larger parent company. Our Office of the CFO Solutions team also assists to bridge gaps between treasury’s liquidity forecasts and financial planning & analysis’ operating cash flow forecasts.

- Debt financing support. We work in tandem with the investors and their financial advisors, banks, investment banks, outside auditing firm and tax advisors to identify, assist and advise on completing elements of the acquisition and any related external debt financings. In particular, we assist with tasks surrounding the creation, documentation and execution of each element of debt financing including revolver, private institutional term loans and public high yield debt. We also assist with the structure and capitalization of legal entities, in coordination with tax advisors. This includes initial capitalization (debt and equity), intercompany loan structures and intercompany transfer arrangements for tangible and intangible assets.

- Treasury policies, procedures and processes. We evaluate the completeness and effectiveness of existing treasury policies and procedures for both internal and external stakeholders. Strong process governance and reporting tools provide management the ability to pursue past-due receivables more actively and track cash flow performance against weekly projections. The Office of the CFO team also works to ensure that treasury processes have documented procedures, demonstrated internal controls, and are in compliance with Sarbanes-Oxley, anti-money laundering, Office of Foreign Assets Control requirements and any other compliance objectives.

- Banking/account structure design. We help design a cash management process and system facilitating the flow of funds between operating, lockbox and controlled disbursement accounts. This ensures consistency with intercompany loans and guarantee structures, cash pooling, current tax structure, credit agreement and compliance, risk and foreign currency issues in moving funds cross-border with a multi-currency operating platform. We also help establish the Know Your Customer compliance process and procedures.

INTERIM TREASURY AND SURGE RESOURCES
We fill interim treasury roles to assist in managing the day-over-day cash balance changes, weekly liquidity forecast, investment forecast, global cash investment analysis, monthly investment benchmark reporting, restricted and inaccessible cash reporting and various ad-hoc tasks.