

Automobile Manufacturer achieves over **\$2 billion** reduction in working capital

Through improving its handling of supplier payments, an automobile manufacturer was able to improve its working capital performance, achieving this improvement was critical in its attempt to reverse the company trend

Established working capital transformation management office to help client achieve over \$2 billion in working capital improvements

Challenges:

- Cost driven culture with limited focus on cash
- Headline working capital indicators were not linked to operational metrics to help indicate appropriate corrective actions
- Limited insight and visibility of where improved working capital opportunities existed

Solutions:

- Creation of working capital initiative reporting format to include initiatives underway to achieve targets (vs. target only monitoring)
- Provision of best practice feedback on initiatives lead by client teams
- Provision of best practice feedback and pilots in the areas of AP forecasting, spares management and raw material buffer sizing
- Monitoring and measurement of progress of working capital initiatives with feedback and escalation as necessary
- Facilitation of standard meetings to enhance project communication along with other defined change management and communication activities

Benefits Achieved:

- Reduction in working capital of over \$2 billion
- Development of internal TMO resource to manage working capital on an on-going basis
- Identification of significant incremental opportunities with methodology to achieve them

Selected clients in the Automotive industry:



To receive a complimentary cash flow assessment, visit www.relconsultancy.com/cashflow/ or call us at **1 866 614 4059** (North America), **1 770 225 7500** (International) or **+44 20 7398 9033** (Europe) and take the first step toward releasing more cash from your operations today.

“We were impressed with the people of REL; impressed with how they explained the various concepts involved, their emphasis on knowledge transfer, and their collaborative, team-oriented approach. REL proposed an approach that involved Cytec in every aspect of the effort, rather than doing everything with Cytec personnel watching ”

– Cytec

“REL brings in good professionals, who roll up their sleeves and start working with local teams to make things happen. They have a hands-on mentality and a no-nonsense approach. They are not like typical consultants who only give you plans to follow ”

– Philips

“We were extremely impressed with the depth and detail of the analysis given the time allowed. The project team possessed a high degree of subject matter experience and credibility. We were astonished with the speed of progress ”

– Airbus

“REL’s input in our supply chain process provided real opportunities for improvement in a short period of time. Their knowledge and strong work ethic were key elements in our decision to continue do business with them ”

– Chrysler

About REL

The returns on improving cash flow can be spectacular – a working capital management project can yield hundreds of millions in free-flowing cash. REL takes a holistic approach to reducing working capital and releasing cash through sustainable working capital improvements at the same time as balancing service, cost and risk. REL works with you to assess those activities that impact working capital; quantify the opportunity for improvement; and define the steps and activities required to realise the improvement opportunity and build the business case for change.