

Building Products producer reduces Working Capital from **25% to 20%** in 15 months

Building products producer reduced working capital from 25% to 20%, benefits delivered primarily through inventory reduction programme

Reducing working capital by 20% in 15 months of which 80% driven by inventory reduction

Challenges:

- Constraints imposed by organisational structure and limited local staff competences
- Corporate / local relationship strained and time was needed to embed and sustain change
- Significant growth over the past 5 years driven by acquisitions which extended both the product range and number of markets served
- Various manual processes still in place
- Various locations across Europe leading to a quite complex project rollout

Solutions:

- Implementation of best practices and training programme including new techniques and better ways of managing working capital
- F2F: Implementation of a new S&OP process to increase forecast accuracy, adherence to planning and reduce levels of FG inventories including design of several new tools and KPIs
- C2C: Improved processes for Billing, Collection and Dispute Management
- P2P: Improved payment terms management (including trade-offs for prices and discounts), eradication of early payments, changing of the payment clock and improved contract management
- Development of a segmentation approach to help cash prioritisation in all three process areas

Benefits Achieved:

- Reduction of working capital from 25% to 20%

Selected clients in the Building Products and Construction 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

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.