

# CFO Masterclass: Best practice for cashflow optimization in 2024

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Thank you for joining us!

We begin at 10:00 CET



**V O L V O**

# Cash enhancement

**Volvo Construction Equipment**

**Volvo Construction Equipment**

# Volvo Working Capital Management

**Receivable management**  
 - a lot of things impact the efficiency and payment lead-time

- Customer & sales strategies
- Customer / Country risk management
- Sales and order procedures
- Customer negotiations
- Customer and sales administration
- Order fulfillment
- Customer Invoicing
- Customer dispute management
- Dunning and collection procedures
- Customer payment methods / process
- Bank & Treasury / customer payments

**Procurement and payment processes**  
 -impact on supplier payables

- Supplier strategies (key suppliers etc.)
- Supplier negotiation (terms and conditions)
- Supplier administration (terms and conditions)
- Material receiving
- Discrepancies and supplier dispute management
- Supplier invoice handling
- Supplier payment process and methods
- Bank and treasury procedures for supplier payments

**Planning, Production and Delivery**  
 - impact on inventory turnover

- Long term planning and strategies
- Sales forecasting
- Sales order processing
- Production planning and scheduling
- Material planning
- Material procurement / Supply chain management
- Warehousing
- Production
- Distribution



Working Capital Management from a complete value chain perspective from strategy until cash received on the bank account

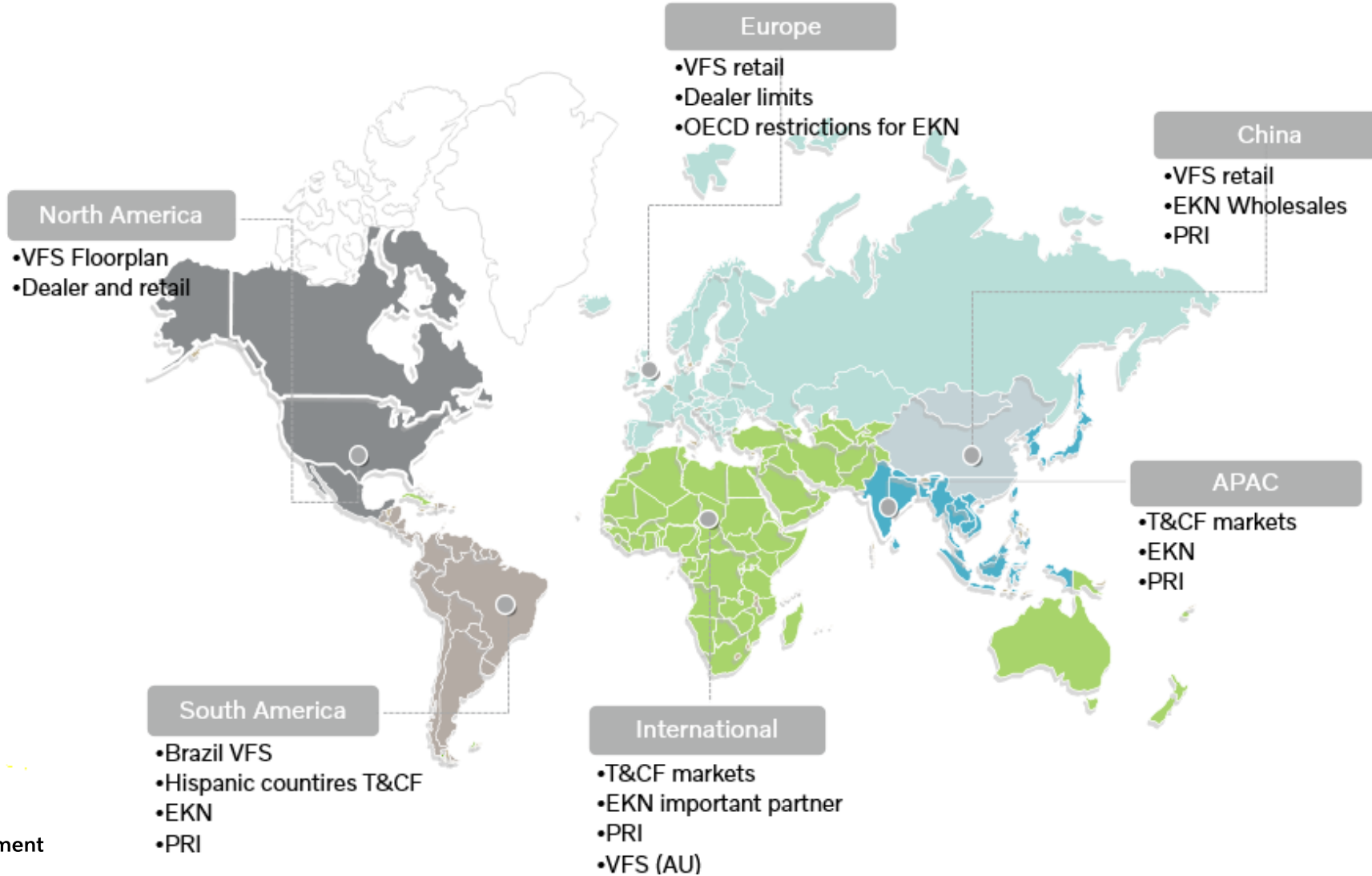
Areas where Finance/Treasury usually is involved

# Activities

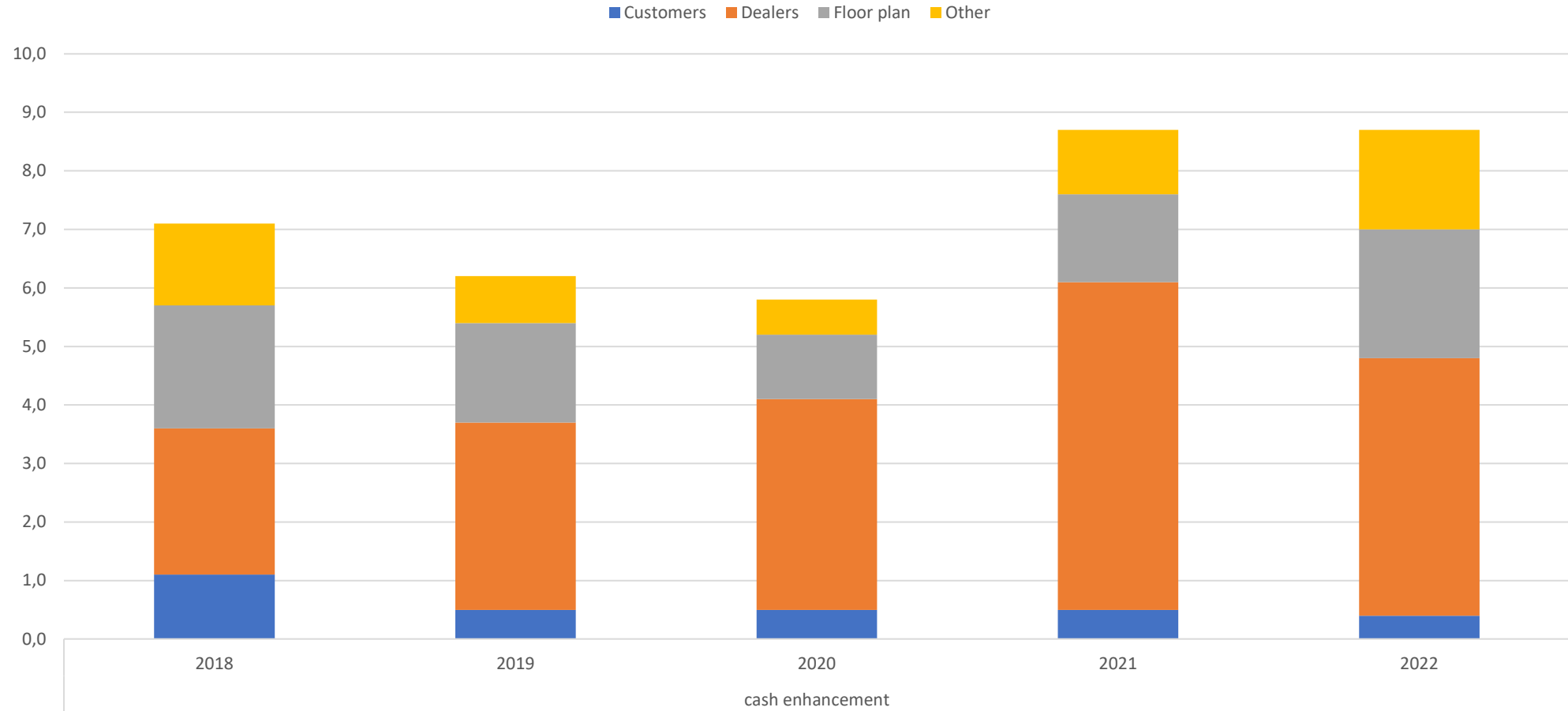
- Turn insurance into cash
- Discounting agreements in place
- Work actively with different banks
- System support like Mitigram

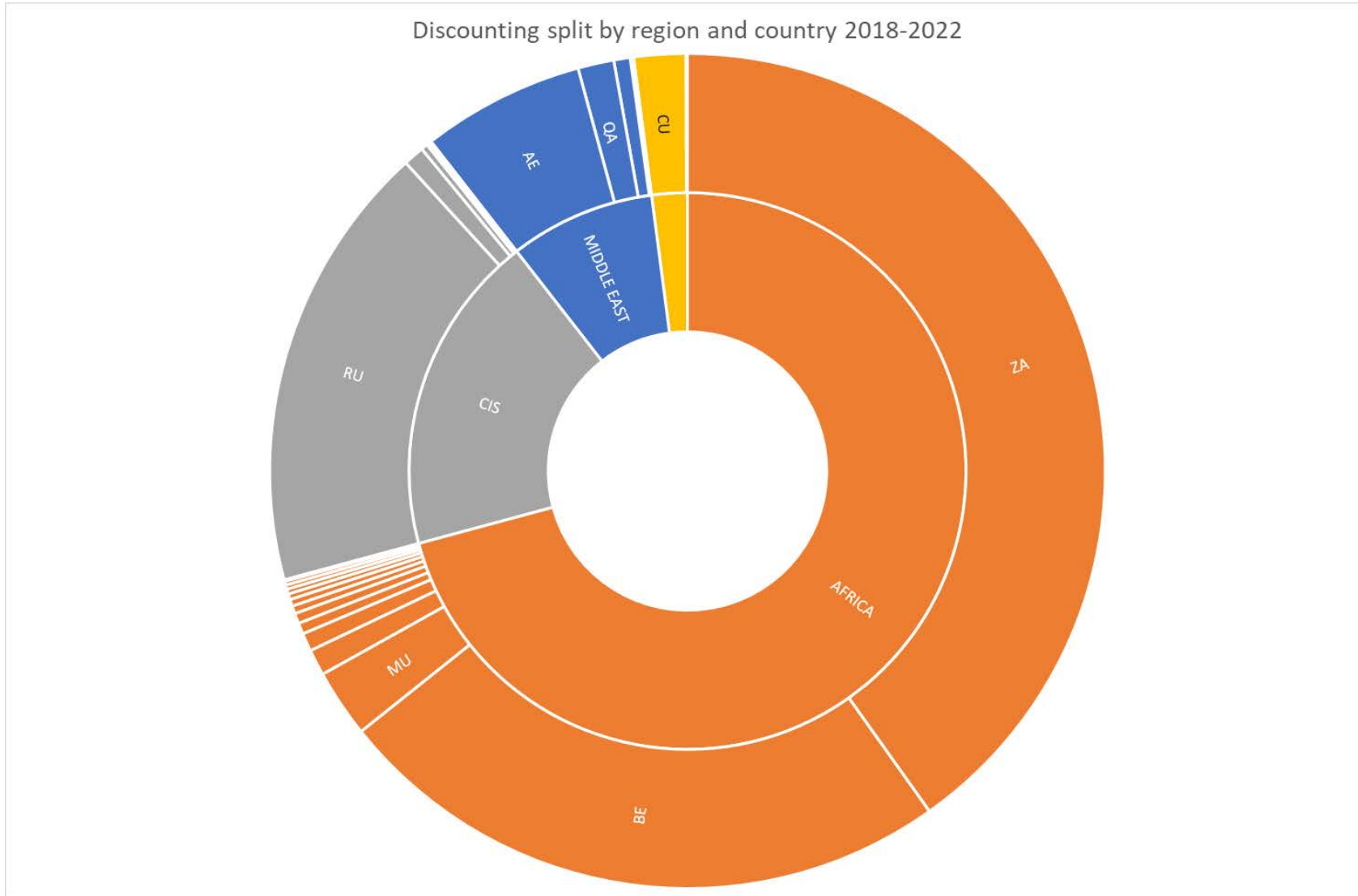


# Trade and Customer Finance Map VCE

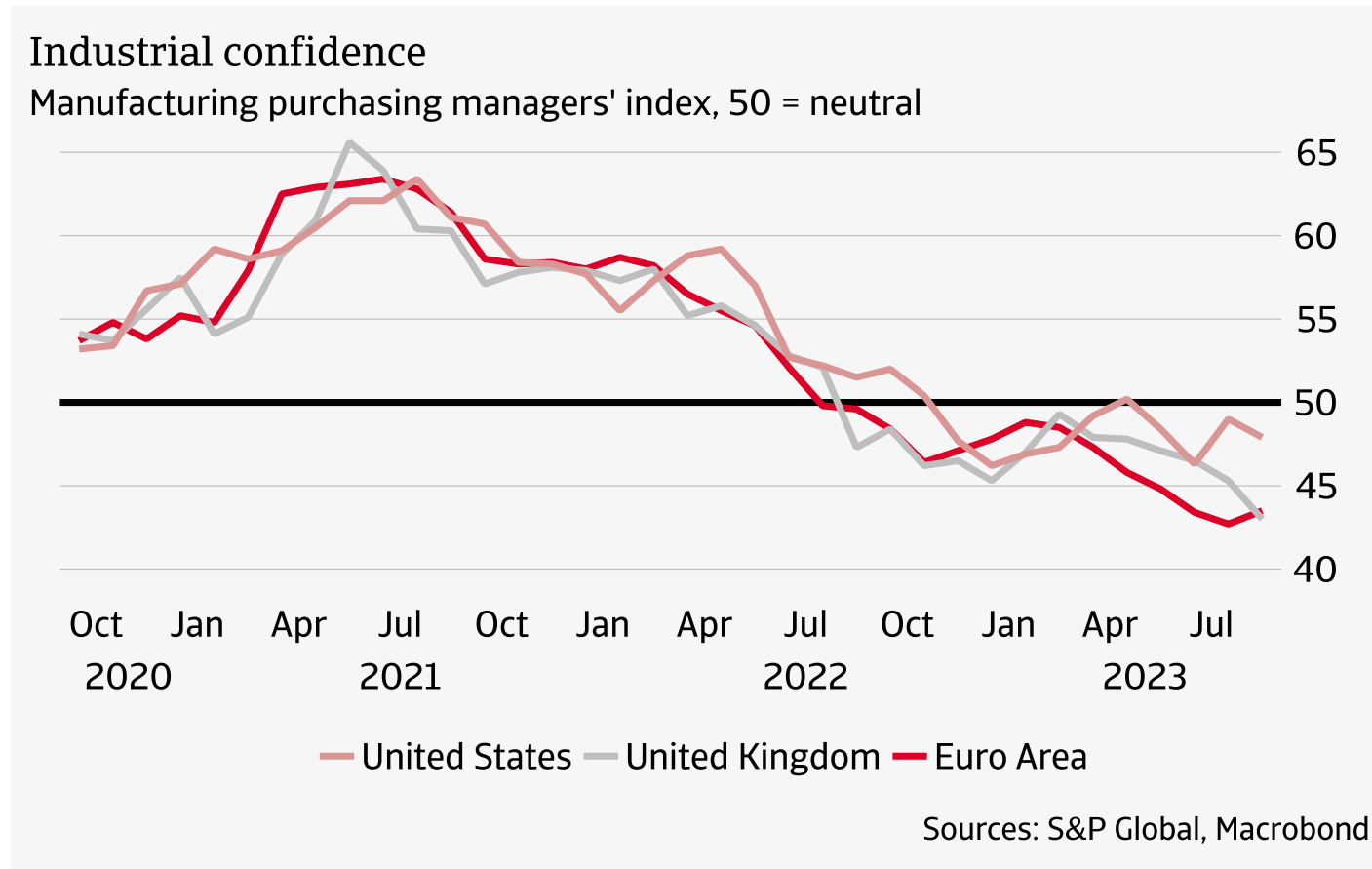


Cash Enhancement Sales Region Int 2018-2022 in BN SEK



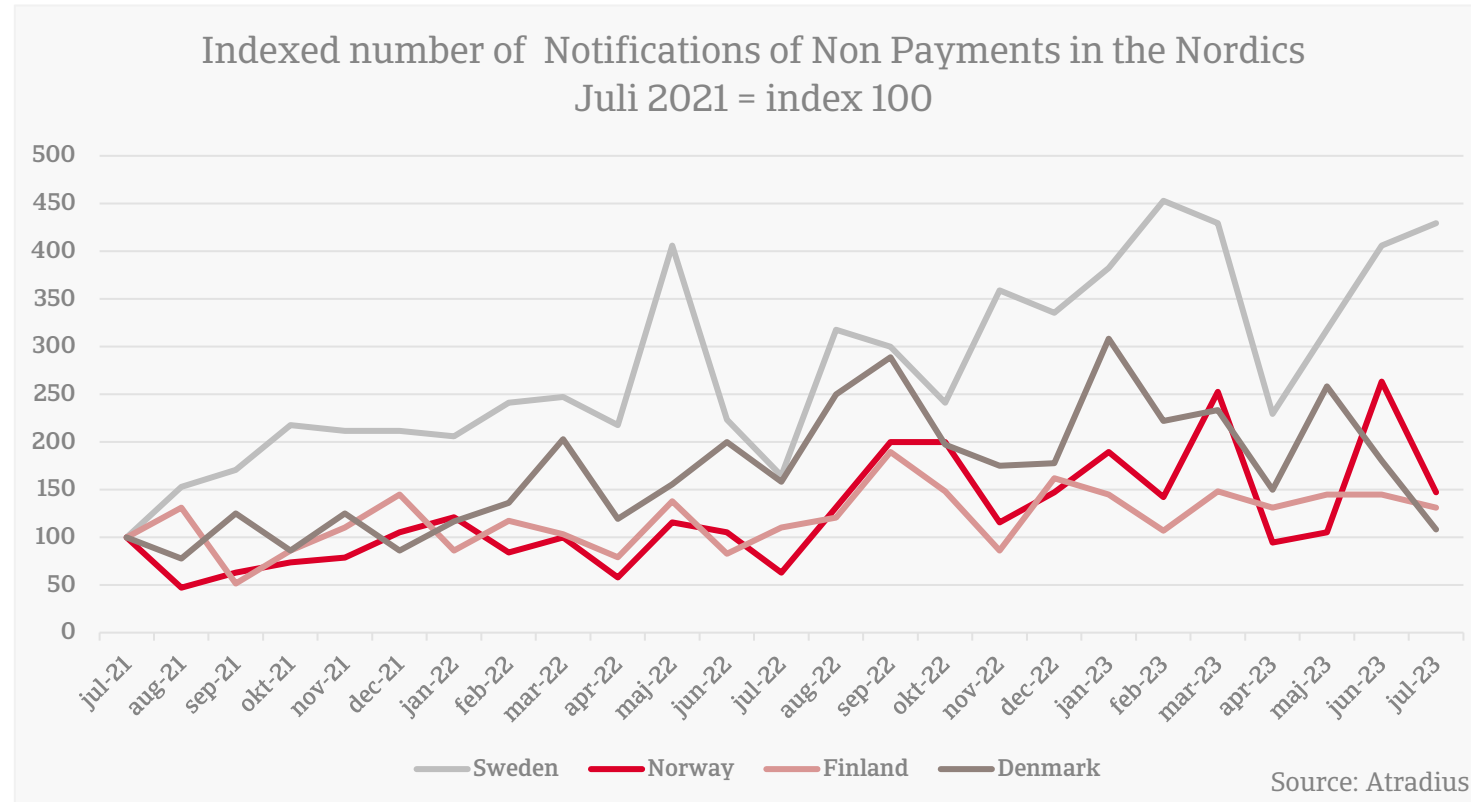


# Economic indicators





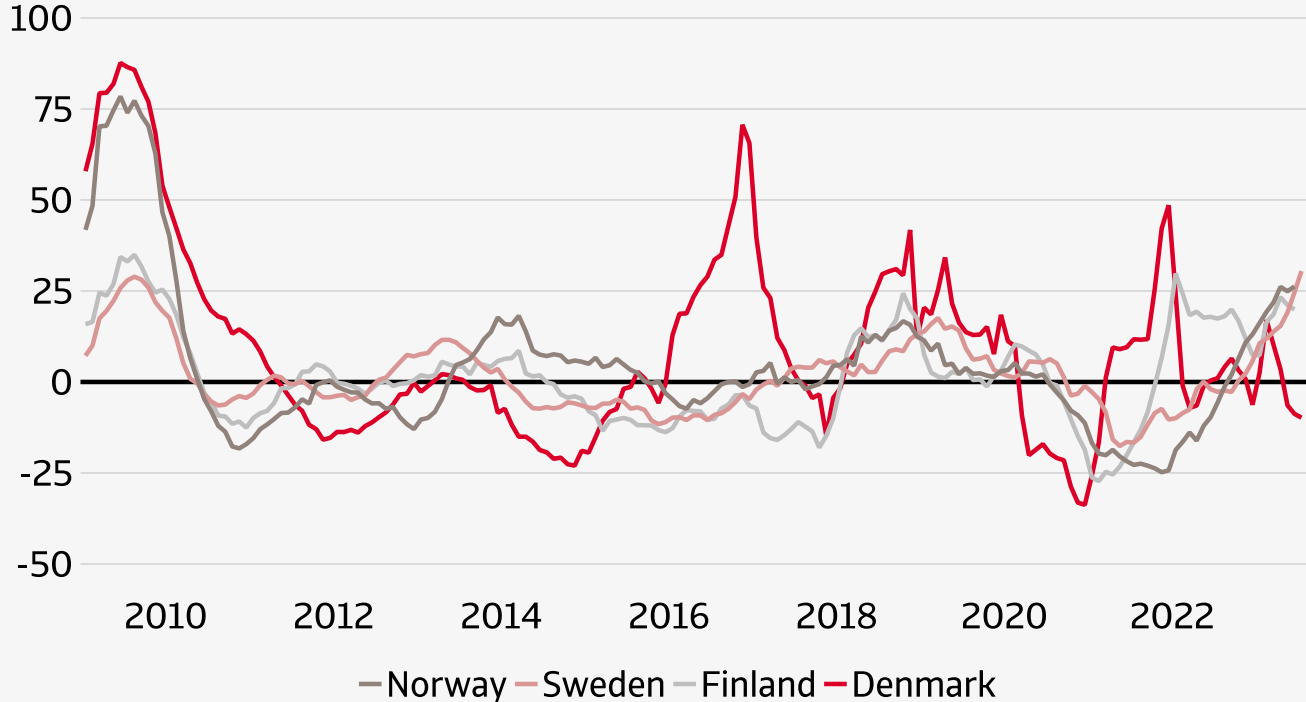
# Missed payments



# Insolvencies in the Nordics

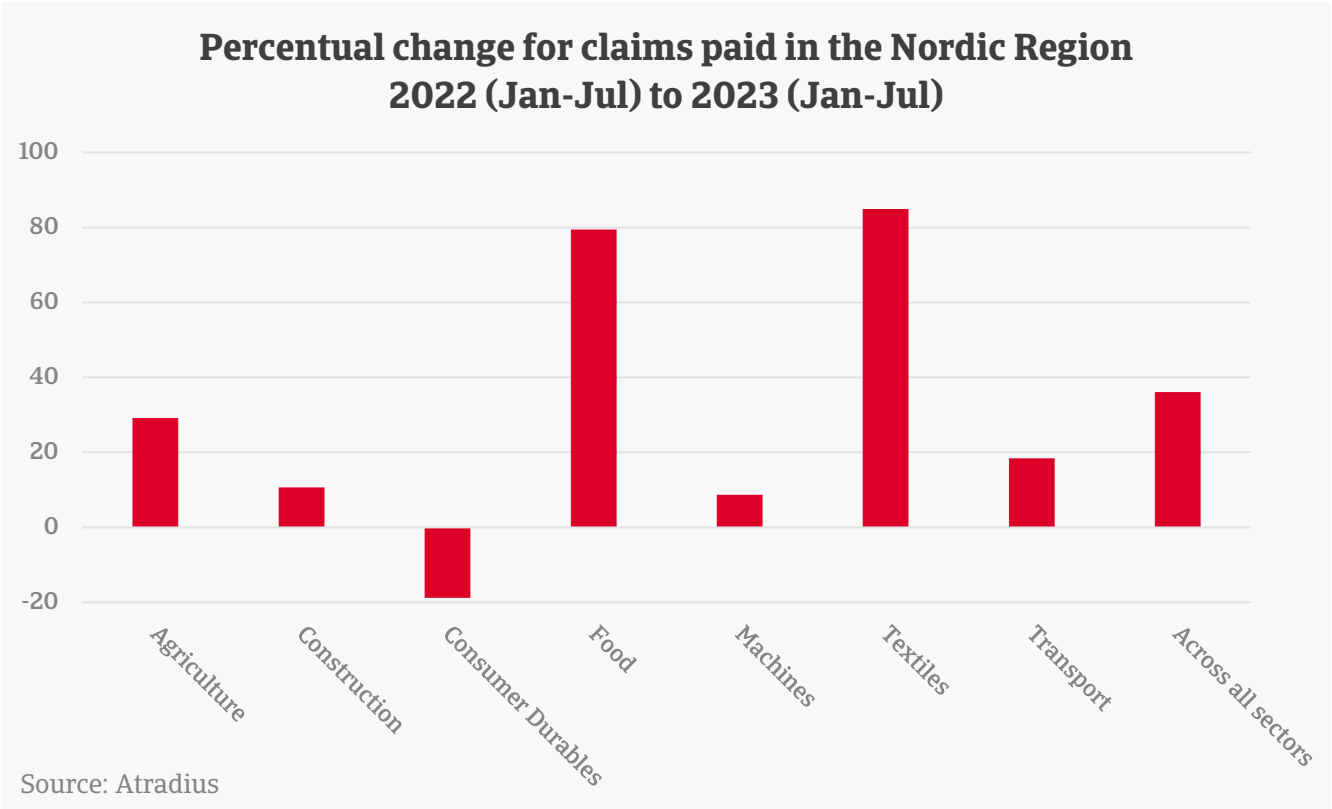
## Insolvency growth: Nordic region

1-year moving averages; annual percentage change

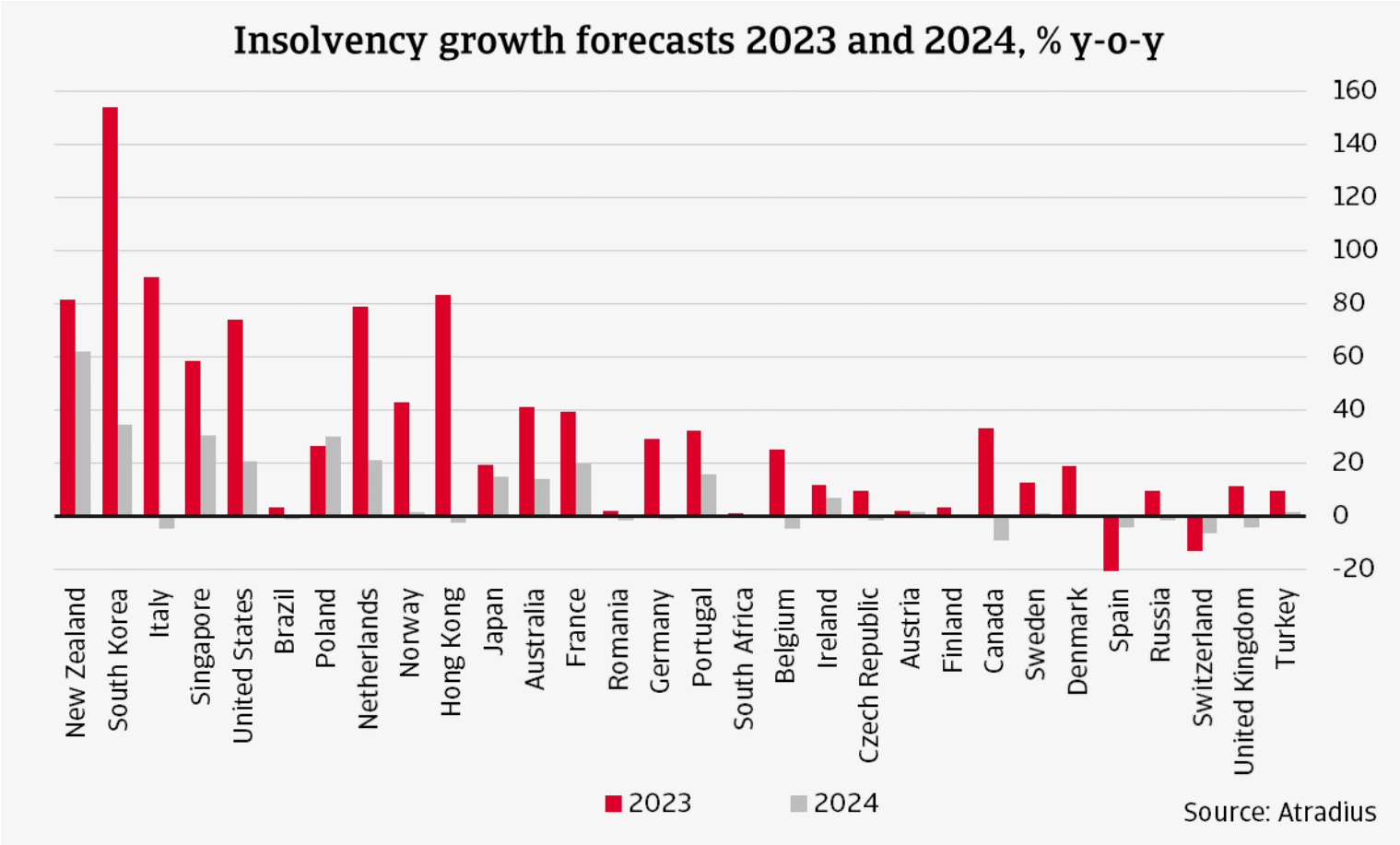


Source: Macrobond, Atradius Economic Research

# Losses



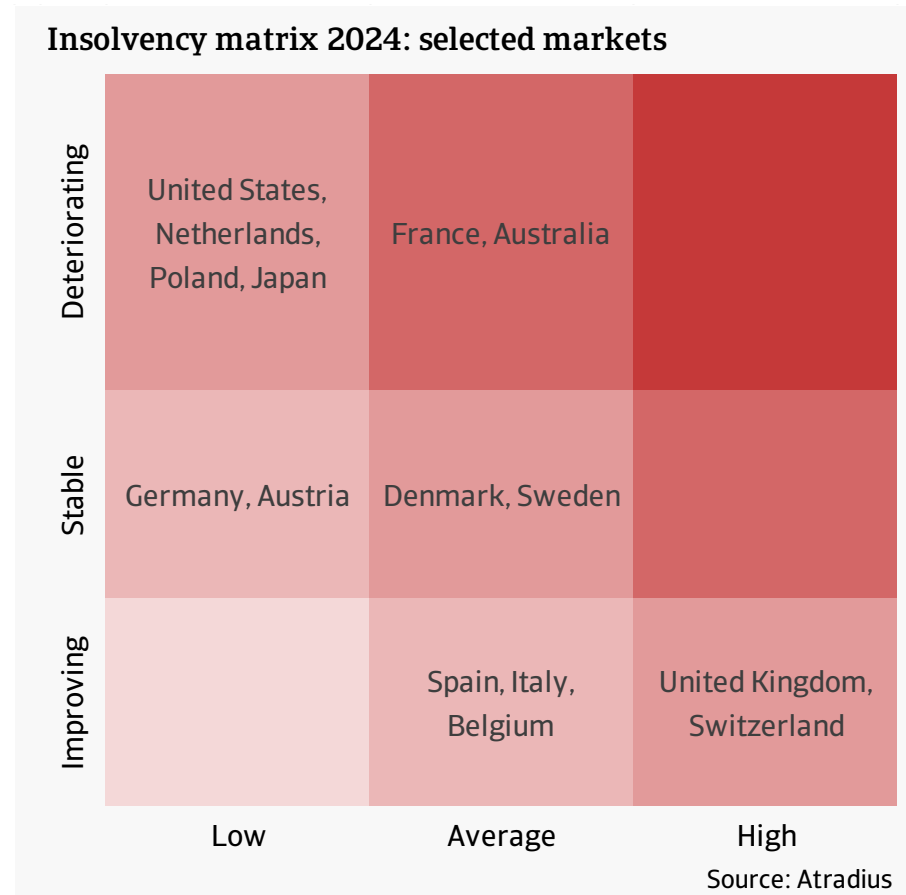
# Insolvency projections



The values in the figures show year-on-year growth rates of insolvencies in 2023 and 2024.

Note: Forecasts are based on the outcome of statistical models and expert opinion. All views expressed here are those of Atradius Economic Research.

# Insolvency matrix 2024



Note: Only selected countries. Horizontal axis indicates absolute level of insolvencies and vertical axis indicates the expected change in insolvencies. Forecasts are based on the outcome of statistical models and expert opinion. All views expressed here are those of Atradius Economic Research.

# Effect on cash flow

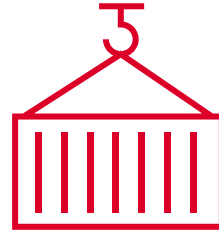


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## Payment Terms

Slight uptick in companies that are focused on using payment terms to secure cash flow

Some are bracing for more fighting on payment terms

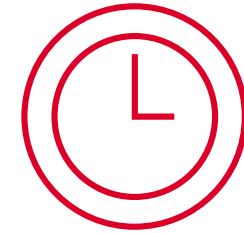


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## Financing through storage

Some producers are beginning to offer retailers consignment deals

This way the retailers don't have to pay upfront and the producers can keep their products in the stores



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## Credit periods

Demand of interest rates and a fee to accommodate longer credit periods is becoming more common

In the construction sector some companies are being accused of using disputes to delay payments