Cashforce

Cashforce

Company

Cashforce is a 'next-generation' Cash forecasting & Working Capital Analytics solution, focused on automation and integration. The cloud-based software enables corporates to unlock their data and create smarter decisions, saving time and cash.

Solution

Cashforce connects the Treasury department with finance & business departments by offering full transparency into the cash flow drivers, accurate & automated Cash Flow Forecasting, as well as flexible Working Capital analytics. By integrating internal & external company data (ERPs, TMS, data lakes…) and processing them through machine learning techniques, their software provides insight into cash flows & working capital, automates manual and cumbersome treasury tasks and enables AI-powered-scenarios. Cashforce is used by mid-size to large corporates and has users in over 120 countries.

A deeper, more meaningful dive into cash flow forecasting

CORPORATE RECOGNITION AWARDS

Best Working Capital Solution

KELLOGG'S

Objectives

In 2020, the treasury team of American multinational food manufacturing firm Kellogg Company was looking for a smart but resource-lite cash forecasting solution capable of driving noteworthy improvements in its working capital management.

Kellogg's manufactures and markets in more than 180 countries. It has 172 global entities with 733 bank accounts, four main ERPs (and some minor instances), five main cash management banks, 40 currencies, and in 2020, net sales of around $13.77bn.

Solutions

In setting up the solution, Kellogg's had three core aims:
- First, it sought to provide more insights into its working capital metrics.
- Second, it wanted improved forecasting processes, especially comparing monthly forecast-to-actuals.
- And third, it planned to use invoice-level transaction data denominated in foreign currency to develop a daily currency hedging position, ultimately looking to implement an 18-month rolling hedge programme.

This demanded better collaboration between Kellogg's treasury and global receivables and payables teams, a goal which itself called for a cash-forecasting tool that would enable that collaboration.

At a glance

Challenges
- Provide more insights into the working capital metrics
- Improve the forecasting processes
- Develop a daily currency hedging position

Benefits
- Decreased working capital levels
- Improved cash forecasting process & accuracy
- More transparency and cooperation

"In just 6 weeks, we set up the Working Capital insights on our SAP instance and had first interactions with the business, leading to millions in saving."

Kiera Agnew
Assistant Treasurer, Kellogg's

"'The system has facilitated the creation of new KPIs and insights into working capital that have already made huge savings."
Kiera Agnew

Why Cashforce

Cashforce was chosen because of its working capital insights, drill-down functionality, AI/ML capabilities, and compatibility with Kellogg's existing TMS (FIS' Treasury & Risk Integrity Edition). With treasury able to use forecasting workflow and working capital insights with the first connected SAP instance in just six weeks, the team gained a rapid insight into how Cashforce's working capital analytics and cash forecasting solutions would deliver on its expectations.

Understanding Customer Behavior

An early, important emphasis for the project was on using Cashforce's working capital analytics tool to improve both the order-to-cash and purchase-to-pay cycles. Cashforce's order-to-cash analysis would provide Kellogg's with both consolidated and granular views of receivables, overdues, billings and credit-note usage. By focusing on certain segments, Kellogg's could analyse customer behaviours, driving conversations with the receivables team on how to improve invoicing.

Setting new targets and KPI's

Conversely, a global view of payables cycles enabled Kellogg's to analyse its own behaviour, improving current processes and setting new organisation-wide targets and KPIs. A working capital dashboard also provided 24/7 insight for both AP and AR departments.

Powering decision-making capabilities

Cash flow forecasting was next under the microscope. The goal was to capture and classify forecast data from the ERPs, actuals data from bank statements and GL bookings, and upload that data into Cashforce. Once populated, the platform could create detailed and accurate forecasting for short-term, medium-term, and long-term horizons. The system's reporting capabilities, including scenario analysis, variance analysis and forecast-to-actuals comparison, elevated the forecast to the strategic level, powering up Kellogg's decision-making capabilities.

Using Cashforce to generate daily currency hedging

What's more, the potential for integration between Cashforce and one of its primary banks, Citi, enables the Kellogg's team to begin working on establishing daily currency hedging positions that could be fed from Cashforce to the CitiFX Pulse platform for hedge execution.

In conclusion, Kellogg's cash forecasting process and accuracy continues to improve through iterative AI/ML learning. It's a project that deserves to be the outright winner of the 2021 Corporate Recognition Awards for Best Working Capital Solution.