

Improving Cash Flow Performance

Cash flow improvement is rarely driven by a single initiative.

Sustainable gains are typically achieved through disciplined management of these seven levers, each contributing to stronger working capital, improved liquidity and greater financial resilience.

Lever	Action Focus
Price	Ensure pricing reflects the value delivered to customers and is reviewed regularly to maintain margins and profitability.
Volume	Drive sustainable revenue growth by expanding sales within existing customers and markets, developing new opportunities and focusing on profitable work.
Cost of Goods Sold (COGS)	Improve gross margins by strengthening purchasing practices, optimising supplier arrangements and increasing operational efficiency.
Operating Expenses	Review overheads regularly and eliminate costs that add little value to your customers, team, compliance or business performance
Debtor Days	Improve cash conversion by invoicing promptly, maintaining clear payment terms and actively managing receivables.
Inventory Days	Optimise stock holdings to meet customer demand while minimising the amount of cash tied up in inventory.
Creditor Days	Manage supplier payments strategically, making full use of agreed trading terms while maintaining strong supplier relationships.

Next Steps

- **Evaluate** current performance across the seven cash flow and profit levers.
- **Identify** opportunities to strengthen margins, improve working capital and release cash from operations.
- **Prioritise** the highest-impact initiatives based on potential return and ease of implementation.
- **Assign** clear accountability, timeframes and performance measures to ensure execution.

Key Principle

Sustainable cash flow improvement is rarely the result of a single initiative.

The greatest gains are typically achieved through a series of well-executed improvements across multiple levers, combined with clear accountability and consistent follow-through.

	Opportunity 1	Opportunity 2	Opportunity 3
Price			
Volume			
COGS			
Overheads			
Accounts Receivable			
Inventory			
Accounts Payable			