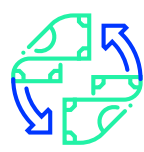


Where Cash Flow & Supply Chain Meet: The Importance Of Purchasing

Reasons for 'Unbalanced' Cash Flow & Supply Chain Procurement



A mismanaged supply chain results in cash flow challenges and high lead times

- Such cash flow issues may stem from:
 - Too much inventory was procured, restricting available working capital
 - Too little supply was procured, limiting production and therefore profit
 - Expenses outweigh earning
 - Capital was not properly invested to promote growth
 - Inventory inaccuracies and inefficiencies



Procurement fails to generate cost savings and value, damaging ability to form effective cash flow strategies



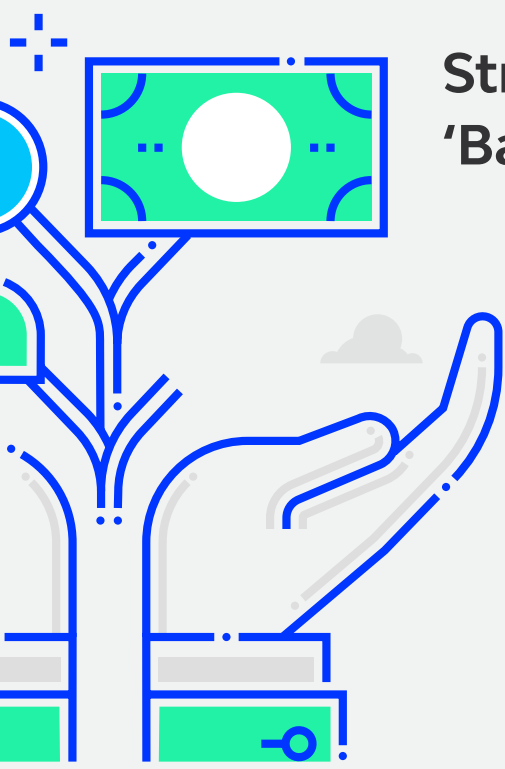
Poor credit affecting financial stability



Supply chain disruptions

- Hindrances may include:
 - Backed-up ports
 - Raw material shortages
 - Labor shortages
 - Volatile market conditions

Strategies for Improving Cash Flow 'Balance' and Procurement



Enhance inventory management procedures through:

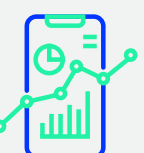
- Kanban methodologies
- Consignment inventory management
- Drastic reduction
- Liquidating expired or obsolete inventory



Upgrade invoice payment processes



Seek more payment flexibility by extending days payable outstanding



Invest in advanced procurement services and software



Work to lower lead time



Utilize data analytics and key performance indicators



Weigh leasing vs. buying options



Re-negotiate credit and optimal payment terms

