

Winning Strategies for the Future of Finance

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Abstract

Strategies for safeguarding liquidity are paramount for companies, especially in times of crisis as the past year has demonstrated vehemently. While industries were affected very differently, one thing they had in common was the need for better visibility. CFOs and finance teams have turned the lessons into concrete steps to focus their business strategies on adopting solutions. Technological solutions provide greater cash transparency and operational continuity in changing work environments. Importantly, for these technologies to deliver complete transparency, they need the right data from a broad range of data sources in a fast and reliable way. In this article, we will look at the key hurdles and challenges that need to be overcome to achieve cash excellence, and how integrating and automating processes cross-sectionally in a central cash visibility hub can improve cash forecasts.

The Need for Central Cash Visibility

The economic turmoil caused by the COVID-19 pandemic led to rapidly changing priorities for CFOs and their finance teams. When supply chains were disrupted and customers strapped for cash were delaying or defaulting on payments, they had to secure access to liquidity. For business continuity, it became critical to secure credit, identify short- and medium-term cash needs, and measure financial risk exposures. In the United States, for instance, half of small and medium-sized enterprises (SMEs) operate with less than 27 days of cash reserve¹, but even large companies were strapped for cash when lockdowns hit back in 2020.

How much money do I have in my back pocket? This became the key question for CFOs and finance teams as they quickly started looking for available cash in their accounts. During that exercise, many of them realized that existing systems and processes were...

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¹ [OECD Policy Responses to Covid-19, April 2021](#)