

Sources and Uses: Working Capital Reserves



For many businesses, the recovery from the pandemic will not come soon enough; there will be significant casualties and not just small businesses. Transitioning to a new normal with the impending recovery will be determined by the current state of readiness and execution excellence of start-up procedures and processes. For those mired in formulating their recovery plans, optimizing Working Capital Management strategies and their execution is a must.

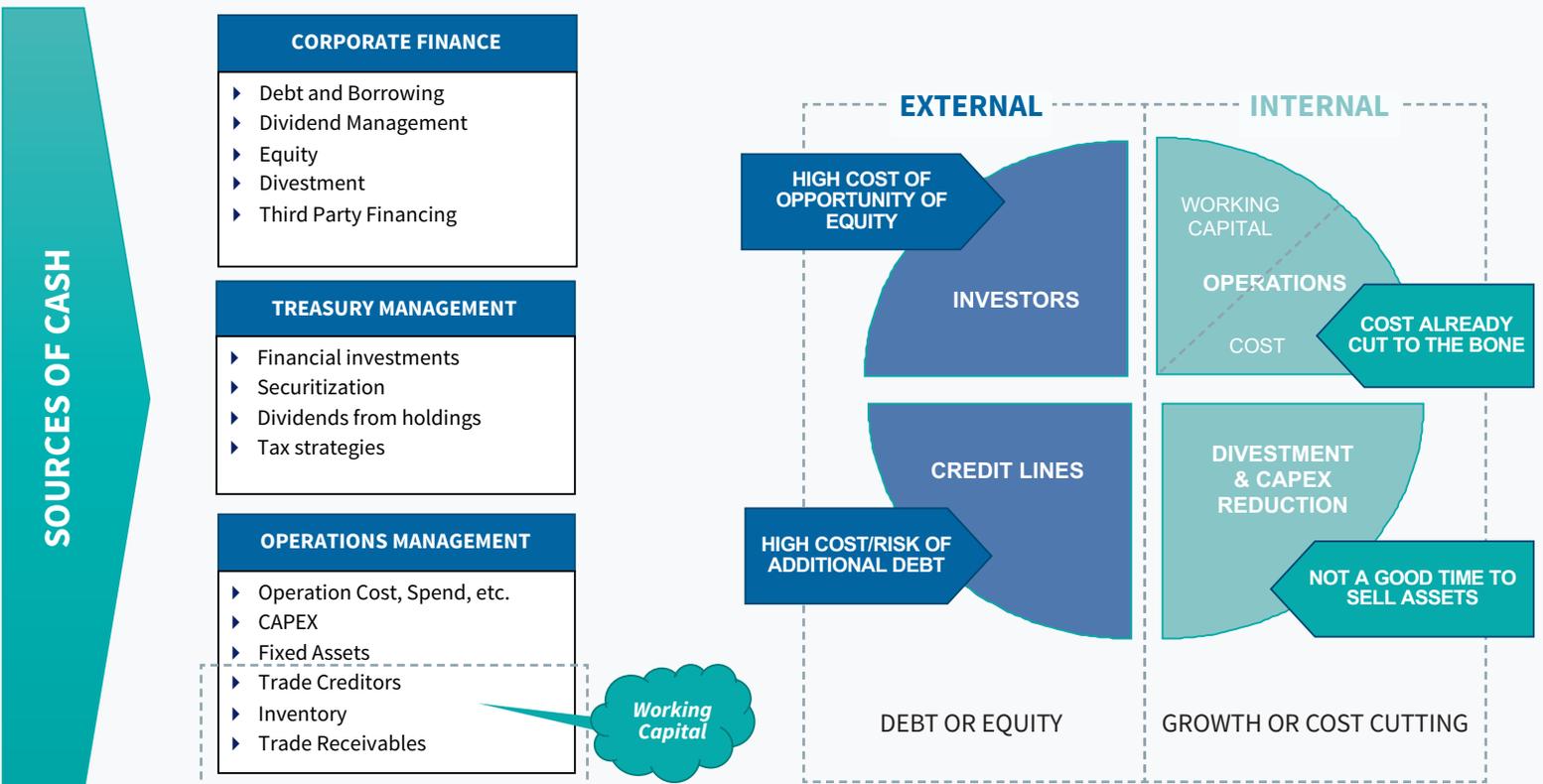
By Frank Buckman

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Experience has shown us that taking advantage of opportunities presented by an economic recovery such as launching new business lines, starting-up new operations, or activating new global supply sources, invariably presents new challenges. The COVID-19 recovery will be no exception; in fact, it will likely be even more challenging. It will not be as simple as everyone returning to the office/plant/warehouse, turning on

the lights, logging back into emails, and voila there are your customers right where you left them. Transitioning to a new normal with the impending recovery will be determined by execution excellence. It will take longer, require more collaboration, and cost more than you expect. Recovery from the pandemic cannot come soon enough. Demand on, and for, cash will only become worse.

WORKING CAPITAL TRADITIONALLY HAS BEEN THE CHEAPEST SOURCE OF CASH



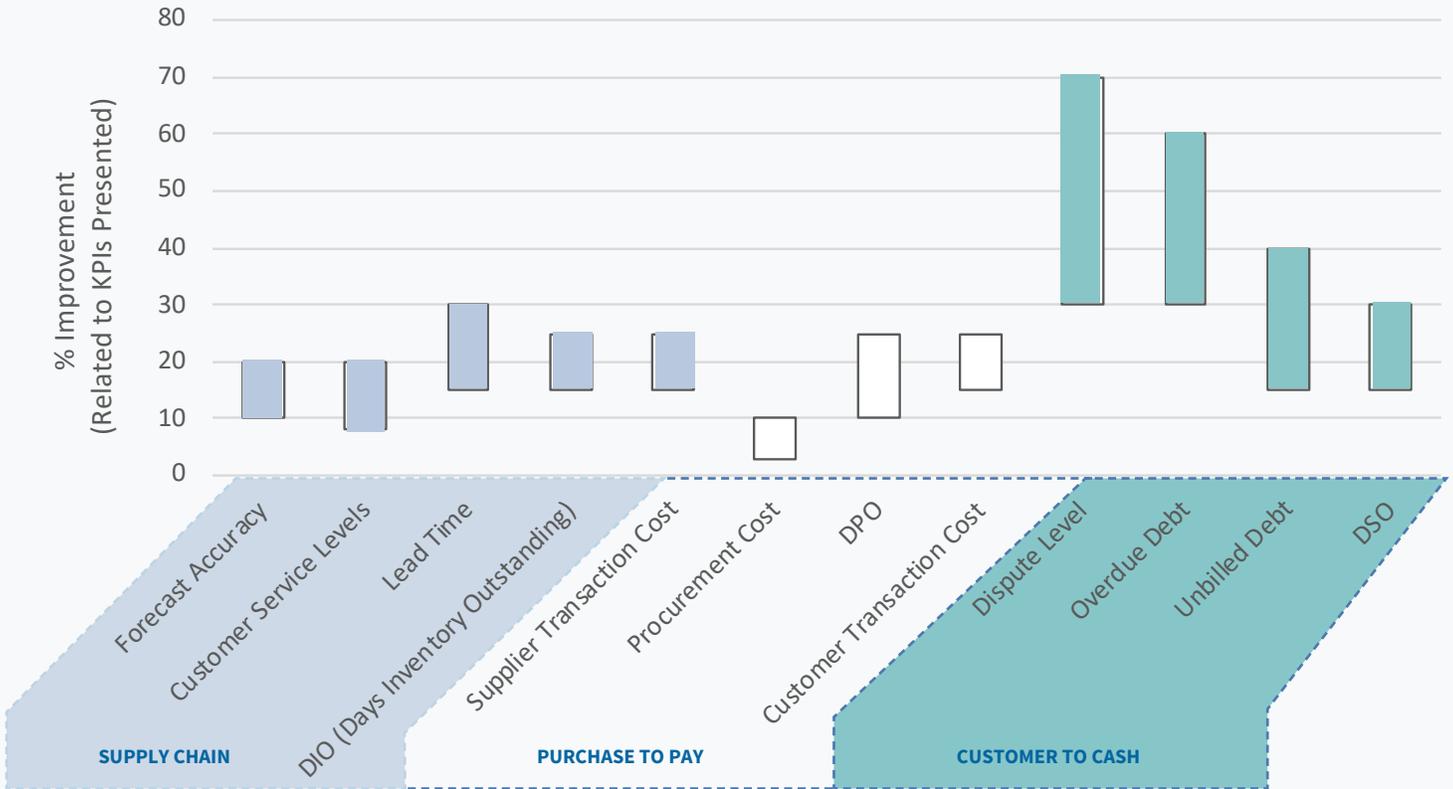
Working Capital Management is an area that Audere Partners regularly help clients with, regardless of industry, economic cycles, or global pandemics. We help them assess their working capital for prospective sources of free liquidity. Take a recent example from one of our clients.

Our team promptly connected with their administrative, finance, and operations resources. Data sources and formats were vetted, extractions run, and files conveyed. After a mere seven days into the process, we were able to conduct a first-pass analysis, cleanse extracted data relative to our repository, view representative agreements, and statistically reach some valuable insights. The analysis confirmed that there were several levels of opportunity, at a 90+% confidence interval, to free up more than \$10.0M. Some in the near-term and the remainder within 6-9 months.

Cash is still king and the lifeblood of every business. That is even more true during the COVID-19 crisis. For those doggedly formulating their recovery plans, perhaps you may also want to consider a quick Working Capital Analysis. Our approach is low touch with high leverage of expertise and data warehouses. Audere Partners experts will test the findings, explore options and precedent, formulate potential solution straw models, and provide perspective astoundingly quickly. Whether \$1.0M or \$200.0M in free cash, if you could find an answer at a 90% confidence interval in fewer than 21 days, would you be interested?

A calling card of Audere Partners is our ability to leverage our expertise and information repositories to discern how much of your potential we can turn into reality. Everything we do is rooted in our Core Values and our mission to Drive Client Success.

TYPICAL RANGE OF IMPROVEMENTS

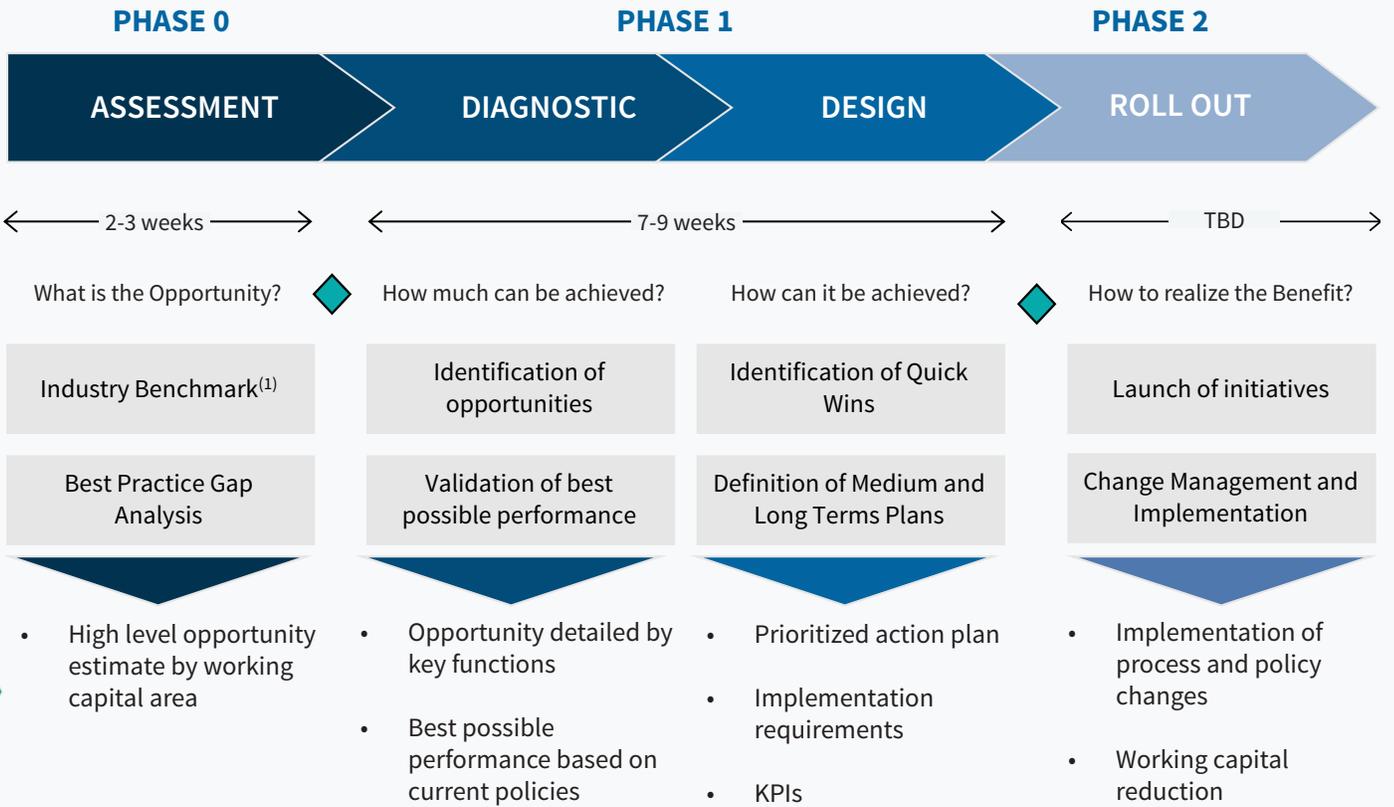


The typical range of improvements in working capital management are driven by operational and back office process effectiveness

If you find yourself in need of additional insights on how you can harvest more free cash for your business during these challenging times, give us a call. Within a week or two, we will be able to share, with a very high degree of confidence, opportunities that may be available to you.

In these challenging times, we wish your team and you well. We sincerely welcome a dialogue of how, where, when, and why our skills and resources would advance your critical business needs at your convenience.

A HIGH-LEVEL WORKING CAPITAL PROGRAM IS BASED ON THREE MAJOR PHASES:



◆ **Decision Points**

(1) Industry benchmark standard against the top 10 performers in the North American market



ARE YOU READY TO TURN YOUR POTENTIAL INTO REALITY?

Feel free to call Frank Buckman at +1-678-409-9456, or visit auderepartners.com to get started.