Cash Cycle Course: Receivables, Payables and Inventory

17 – 28 May 2027
Madrid (Spain)



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Managing the cash cycle means controlling the time between paying suppliers and collecting from customers, measured through receivables, payables, stock holding and the working capital they tie up. This two-week course is for mid-level finance practitioners who run credit, collection, payables or treasury tasks, and it ends with a conversion cycle improvement plan supported by a thirteen-week liquidity forecast built during the course.

Introduction

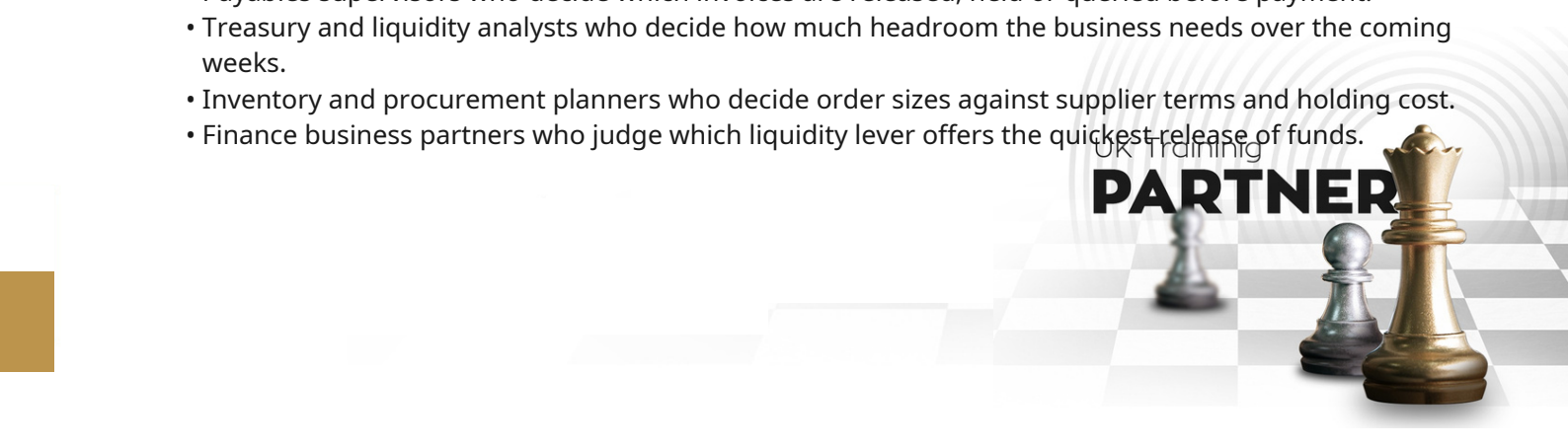
The course rests on three references. The cash conversion cycle days sales outstanding plus days inventory outstanding minus days payables outstanding gives one measure of liquidity. IFRS 9 Financial Instruments sets the expected credit loss approach to provisioning for customer balances. The COSO Internal Control – Integrated Framework describes five components of control over order and purchase chains. The level is practitioner. Its two-week length lets receivables and payables each run as a full module, with added depth on credit policy, inventory and treasury forecasting, taught through sector case studies and a spreadsheet modelling build.

Course Objectives

- Define the cash conversion cycle and its three components so that liquidity gaps can be traced to a specific process owner.
- Distinguish a credit policy from a credit procedure and draft both for a customer portfolio.
- Compare pre-delinquency and post-delinquency collection actions and select the right step for each overdue segment.
- Apply three-way matching and vendor master controls to stop duplicate or diverted supplier payments.
- Interpret the difference between direct and indirect forecasting methods and build a rolling thirteen-week projection.
- Justify stock, supplier term and collection targets in a report that executives can act on.

Target Audience

- Credit and collection team leaders who decide which customers receive limits and when an overdue account escalates.
- Payables supervisors who decide which invoices are released, held or queried before payment.
- Treasury and liquidity analysts who decide how much headroom the business needs over the coming weeks.
- Inventory and procurement planners who decide order sizes against supplier terms and holding cost.
- Finance business partners who judge which liquidity lever offers the quickest release of funds.



Course Outline

Day 1: Conversion Cycle Terms Defined

- Cash Conversion Cycle: DSO Plus DIO Minus DPO as One Liquidity Measure
- Operating Cycle vs Conversion Cycle: Where Supplier Credit Shortens the Gap
- Cost of Credit: Interest and Opportunity Cost of Funding Customer Balances
- Order-to-Cash vs Procure-to-Pay: The Two Process Chains Behind Liquidity
- Ratio, Trend and Common-Size Analysis: Reading Statements for Liquidity Signals

Day 2: Credit Policy and Customer Risk

- Credit Policy vs Credit Procedure: Board-Level Rules Against Daily Approval Steps
- Customer Credit Scoring: Rating New and Existing Buyers Before Setting Limits
- Payment Terms Design: Net Days, Early-Settlement Discounts and Their Effect
- IFRS 9 Expected Credit Loss: Forward-Looking Provisioning for Doubtful Customer Debts
- Dispute Resolution in Collection: Customer Service Steps That Remove Settlement Delays

Day 3: Collection Sequences and Escalation

- Pre-Delinquency vs Post-Delinquency Action: Reminders Before and After the Due Date
- Dunning Letter Cycles: Timed Reminder Sequences From Courtesy Call to Final Notice
- Internal vs External Escalation: Senior Contact, Collection Agency or Legal Route
- Collector Workflow Tools: Prioritised Worklists, Call Scripts and Promise-to-Pay Tracking
- Underperforming Segments: Spotting Customer Groups With Rising Overdue Balances Early

Day 4: Measuring the Receivables Ledger

- Reported DSO vs Best Possible DSO: Separating Terms Effect From Collection Delay
- Ageing Analysis: Grouping Open Invoices by Days Past Due for Action
- Receivables KPIs and Targets: Collector Scorecards, Dispute Rates and Receipts Applied
- Sales and Finance Collaboration: Shared Targets That Stop Unapproved Credit Overrides
- Receivables Automation: E-Invoicing, Remittance Auto-Matching and Predictive Reminder Timing

Day 5: Payables Process Design

- Role of Supplier Obligations: Trade Credit as a Short-Term Funding Source
- Purchase-to-Pay vs Source-to-Settle: Narrow and Extended Views of the Supplier Chain
- Three-Way Match: Purchase Order, Goods Receipt and Invoice Agreement Before Release
- Invoice Processing Throughput: Cost per Invoice, Cycle Time and Staff Allocation
- Duplicate Payment Prevention: Data Checks on Supplier, Amount and Invoice Number



Day 6: Supplier Data, Expenses and Payables Technology

- Vendor Master File Control: Onboarding, Bank Detail Changes and Dormant Records
- Travel and Entertainment Policy: Expense Limits, Receipt Rules and Approval Levels
- Cash Advances vs Employee Reimbursement: Two Routes for Settling Staff Spending
- Imaging and Workflow Automation: Scanned Invoices Routed for Electronic Approval
- Supplier Portals and Communication: Self-Service Status Queries That Reduce Payment Calls

Day 7: Inventory and the Supply Chain

- Days Inventory Outstanding: How Stock Holding Lengthens the Conversion Period
- Economic Order Quantity vs Just-in-Time Replenishment: Order Size Against Holding Cost
- ABC Classification Case Study: Releasing Funds Held in Slow-Moving Stock Lines
- Demand Forecasting Analytics: Predictive Signals for Purchasing and Stock Level Decisions
- Inventory and Payables Coordination: Aligning Purchase Timing With Negotiated Supplier Terms

Day 8: Treasury Forecasting Methods

- Direct vs Indirect Forecasting Method: Receipts-and-Payments Against Profit-Based Projections
- Thirteen-Week Rolling Forecast: A Short-Horizon Liquidity View Updated Each Week
- Sales Plan Linkage: Converting Order Pipelines Into Expected Customer Receipts
- Scenario and Sensitivity Testing: Late Payers, Price Shifts and Supplier Squeeze
- Forecast Model Build: Spreadsheet Structure for Short- and Long-Range Projections

Day 9: Internal Control and Fraud Risk

- COSO Internal Control Framework: Five Components Applied to Order and Purchase Chains
- Preventive vs Detective Controls: Stopping Errors Against Finding Them Afterwards
- Segregation of Duties: Separating Supplier Setup, Invoice Approval and Payment Release
- Ledger Fraud Schemes: Lapping, Fictitious Suppliers and Bank Detail Diversion Explained
- Process Documentation: Policies and Flowcharts That Make Control Gaps Visible

Day 10: Building the Conversion Cycle Improvement Plan

- Liquidity KPI Dashboard: DSO, DIO, DPO and Forecast Accuracy for Executives
- Variance vs Root-Cause Analysis: Explaining Gaps Between Forecast and Actual Receipts
- Control Plan Case Study: Designing Safeguards for a Distribution Business Ledger
- Executive Reporting and Visual Presentation: Charts That Communicate the Liquidity Position
- Conversion Cycle Improvement Plan: Targets, Owners and Forecast Presented for Peer Feedback



Skills You Will Gain

- Cash conversion cycle calculation
- Customer credit scoring
- Dunning sequence design
- Expected credit loss provisioning
- Three-way match control
- Economic order quantity
- Thirteen-week rolling forecast
- Segregation of duties mapping

Why Attend This Course

- From treating late customer payment as a sales issue to tracing it to terms, disputes or collector workload.
- From releasing supplier invoices on arrival to timing payment against agreed terms and verified receipts.
- From a monthly balance check to a weekly liquidity view that flags shortfalls before they occur.
- From scattered improvement ideas to a conversion cycle improvement plan with targets, owners and a thirteen-week forecast.

Conclusion

Liquidity improves when the days money spends in customer balances and stock fall while supplier credit is used deliberately. The two-week format gives each side of the ledger its own full module and separates three pairs that are often confused: credit policy and procedure, direct and indirect forecasting, preventive and detective controls. It suits practitioners who already run part of the order or purchase chain and now need to connect it to treasury and inventory decisions.

Course FAQs

What is cash cycle management in receivables and payables?

It is the control of how long funds stay in customer balances, stock and supplier credit. The cash conversion cycle combines the three as DSO plus DIO minus DPO, giving one figure that shows how many days a business funds its own operations.

What is the difference between the operating cycle and the cash conversion cycle?

The operating cycle runs from buying stock to collecting from the customer. The conversion cycle subtracts the days of credit suppliers allow, so it shows only the period the business funds itself.



Which standards does a cash cycle management course on receivables and payables follow?

It uses IFRS 9 for expected credit loss provisioning on customer balances and the COSO Internal Control – Integrated Framework for controls over order and purchase chains, alongside the DSO, DIO and DPO measures.

Is a two-week cash cycle course right for a payables supervisor?

Yes, where the supervisor approves invoice release and wants to see how payment timing affects liquidity, stock decisions and customer collection, and to share one forecast with treasury.

What does a delegate produce in a cash cycle management course on receivables and payables?

Each delegate builds a conversion cycle improvement plan that sets DSO, DIO and DPO targets, names an owner for each lever and links them to a thirteen-week rolling liquidity forecast.

