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Working Capital Management Course: Cash Conversion Cycle & Short-Term Liquidity

1 – 5 March 2027
Barcelona (Spain)



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Ref: 10_360744 **Date:** 1 – 5 March 2027 **Location:** Barcelona (Spain) **Fees:** 5200 GBP

Introduction:

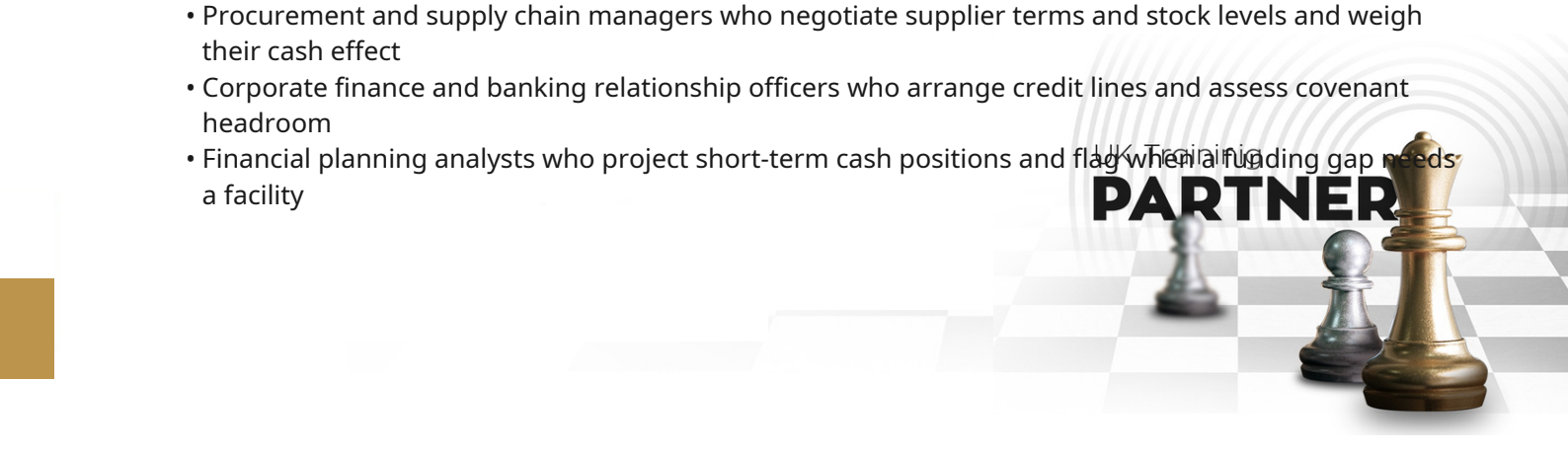
Working capital management, covering the cash conversion cycle and short-term liquidity, is the discipline of controlling the cash tied up in receivables, inventory and payables and deciding where surplus cash is placed and how temporary shortfalls are funded. This 1-week course is for finance managers and professionals who run cash, credit and funding decisions, and delegates finish with a Working Capital and Liquidity Funding Plan. It is taught at practitioner level through a modelling build that links the cash conversion cycle CCC, the days between paying suppliers and collecting from customers, to money market instruments and short-term credit lines.

Course Objectives:

- Define the cash conversion cycle and its three components, and calculate how many days of cash each one ties up
- Distinguish primary from secondary sources of liquidity and identify the drags and pulls that weaken a cash position
- Compare treasury bills, commercial paper, certificates of deposit, repurchase agreements and money market funds by safety, liquidity and yield
- Distinguish committed from uncommitted credit lines and select the facility mix that keeps funding available under stress
- Interpret financial covenants, facility pricing and withdrawal clauses to judge the true cost and reliability of short-term borrowing
- Apply allocation rules that decide when surplus cash is invested and when a funding gap is bridged with a drawdown

Target Audience:

- Finance managers and financial controllers who own the working capital position and decide which cycle levers to pull first
- Treasury analysts and cash management officers who place daily surpluses and choose between money market instruments
- Credit control and receivables specialists who set customer terms and judge how collection changes alter liquidity
- Procurement and supply chain managers who negotiate supplier terms and stock levels and weigh their cash effect
- Corporate finance and banking relationship officers who arrange credit lines and assess covenant headroom
- Financial planning analysts who project short-term cash positions and flag when a funding gap needs a facility



Course Outline:

Day 1: Diagnosing the Cash Conversion Cycle and the Current Liquidity Position

- Cash Conversion Cycle: DIO Plus DSO Minus DPO as One Days Measure
- Operating Cycle vs Cash Conversion Cycle: Where Supplier Credit Shortens the Gap
- Net Working Capital Bridge: Tracing Cash Tied Up in Receivables and Inventory
- Liquidity Drags and Pulls: Events That Delay Inflows or Accelerate Outflows
- Primary vs Secondary Liquidity Sources: Operating Cash Compared With Asset Sales

Day 2: Frameworks Linking Working Capital Levers to Funding Policy

- Receivables Levers: Credit Terms, Invoicing Speed and Collection Escalation Effects on DSO
- Inventory Levers: Safety Stock, Reorder Points and Their Effect on DIO
- Payables Levers: Payment Terms and Early-Payment Discounts Measured Against DPO
- Cash Segmentation Model: Operating, Reserve and Strategic Cash Tiers by Horizon
- Conservative vs Aggressive Funding Policy: Matching Short-Term Debt to Seasonal Needs

Day 3: Applying Money Market Instruments and Short-Term Credit Lines

- Treasury Bills vs Commercial Paper: Issuer Credit Risk, Yield and Tradability
- Certificates of Deposit and Repurchase Agreements: Bank Exposure and Collateral Compared
- Money Market Funds: Constant NAV and Variable NAV Structures for Surplus Cash
- Committed vs Uncommitted Credit Lines: Availability When Liquidity Is Most Needed
- Revolving Credit Facility Pricing: Margin, Commitment, Arrangement and Utilisation Fees

Day 4: Analysing Liquidity Risk, Covenants and Cost Trade-Offs

- Financial Covenants: Leverage, Interest Cover and Minimum Liquidity Headroom Testing
- Overdraft vs Revolving Facility: Cost of Short Drawings Against Standby Commitment
- Short-Term Investment Policy: Safety, Liquidity and Yield Limits by Counterparty
- Material Adverse Change and On-Demand Clauses: Risks of Line Withdrawal
- Cost of Carrying Cash vs Cost of Borrowing: Sizing the Target Liquidity Buffer

Day 5: Modelling Build: Assembling the Working Capital and Liquidity Funding Plan

- CCC Baseline Build: Calculating DIO, DSO and DPO for a Case Organisation
- Lever Scenario Model: Cash Released by Target Changes to Terms and Stock
- Weekly Cash Position Projection: Identifying Surplus Periods and Funding Gaps
- Surplus Placement vs Facility Drawdown: Testing Allocation Rules Against Stress Cases
- Working Capital and Liquidity Funding Plan: Finalising Instrument Ladder and Facility Mix



Skills You Will Gain:

- Cash Conversion Cycle Analysis
- Net Working Capital Bridging
- Cash Segmentation
- Money Market Instrument Selection
- Short-Term Investment Policy Design
- Credit Facility Structuring
- Covenant Headroom Testing
- Liquidity Buffer Sizing

Why Attend This Course:

- From reporting the cash conversion cycle as a single figure to tracing each day of it to a receivables, inventory or payables lever
- From leaving surplus cash in current accounts by habit to placing it in money market instruments under a written safety, liquidity and yield policy
- From relying on an uncommitted line that a bank can withdraw to holding a facility mix that stays available when cash is tight
- From reacting to month-end shortfalls to presenting a Working Capital and Liquidity Funding Plan with clear allocation and drawdown rules

Conclusion:

Managing working capital well means treating the days of cash locked in operations and the instruments that invest or fund that cash as one decision rather than two separate tasks. The course makes three distinctions clear: the operating cycle versus the cash conversion cycle, committed versus uncommitted credit lines, and the cost of holding cash versus the cost of borrowing it. It suits managers and professionals in finance, treasury, credit and supply roles who already read a balance sheet and now need to show how cycle improvements, surplus placement and facility choices fit together.

Frequently Asked Questions FAQ:

What should delegates know before joining a working capital management course on the cash conversion cycle and short-term liquidity?

Delegates should read a balance sheet and cash flow statement with confidence and work comfortably in spreadsheets. Exposure to bank products helps, but the course defines DIO, DSO, DPO, money market instruments and facility terms before they are used in the modelling build.



How does this working capital management course differ from a general treasury or receivables and payables course?

It links both sides of the cash question. A treasury course often centres on cash pooling and bank structures, and a receivables or payables course on one process. This course connects cash conversion cycle levers to where surplus cash is placed and how gaps are funded.

Is a committed credit line always better than an uncommitted line for short-term liquidity?

Not always. A committed line obliges the bank to lend within its terms and costs a commitment fee; an uncommitted line is cheaper but can be refused or withdrawn. Many organisations hold committed capacity for stress needs and use uncommitted lines for routine timing gaps.

What do delegates take back to work from a working capital management course on the cash conversion cycle and liquidity?

Delegates take back a Working Capital and Liquidity Funding Plan: a cash conversion cycle baseline, lever scenarios, a weekly cash projection, an instrument ladder for surpluses, a facility mix for gaps and allocation rules, built on a case organisation and ready to adapt.

