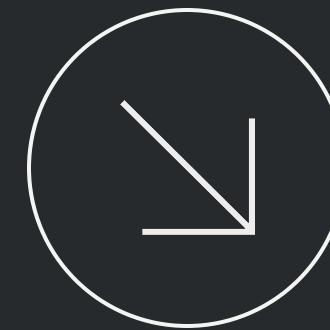
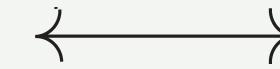


Cashflow Modelling



Team "Imagine being 2nd"

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INTRODUCTION TO PROBLEM

- **Cash Flow Optimization**
 - Maximizing cash utilization and investment income by streamlining invoice payment processes.
- **Efficient Provisioning**
 - Optimizing provision periods to enhance cash flow management and leverage available resources effectively.
- **Financial Forecasting**
 - Developing models to predict cash flow and investment income, considering diverse parameters like payment terms and vendors.
- **Scenario Analysis**
 - Conducting analyses to identify optimal payment strategies, emphasizing benefits and recommending efficient cash utilization methods.

ABOUT

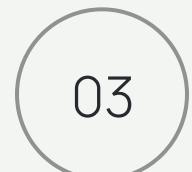
Edelweiss Tokio Life is an innovative insurance company in India, tailoring solutions to diverse financial needs. With a customer-centric approach, it employs a unique need-based selling strategy. The joint venture between Edelweiss and Tokio Marine emphasizes a long-term sustainable business, while the organization seeks to optimize cash utilization by efficiently managing vendor payments and credit periods.



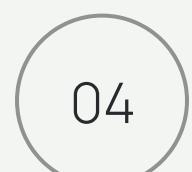
Deep Dive (Objectives)



Key Parameters



Solution Draft



Conclusion

Cash Flow Optimization

The initiative focuses on enhancing financial efficiency through cash flow optimization, achieved by streamlining invoice payments, efficient provisioning, and developing predictive models for financial forecasting. By conducting scenario analyses, the goal is to identify optimal payment strategies, maximizing cash utilization and investment income while leveraging diverse parameters such as payment terms and vendor relationships.

01

Enable Proactive Outflow Management

Develop a system that allows for proactive monitoring and management of cash outflows, ensuring timely and strategic handling of financial obligations.

02

Identify Potential Cash Deficits or Surpluses

Implement a mechanism to identify and analyze potential cash deficits or surpluses, providing valuable insights into the organization's financial health and enabling timely corrective actions.

03

Support Short-Term and Long-Term Liquidity Planning

Facilitate both short-term and long-term liquidity planning by incorporating features that consider various financial scenarios, helping the organization prepare for different time horizons and economic conditions.

KPI

Cash flow forecasting is crucial for strategic payment planning and management, involving the utilization of categorized payment data, including PO and invoice details, to build projections and timelines, with additional consideration for budgets and payment cycles.



Categorizing payments for modeling (opex, capex etc.)

OPEX/CAPEX

Payment data with key fields highlighted

PO date, invoice date

month, dept., expense type

budgets, payment cycles

Group data into operating, investing, financing payments

Calling out major opex categories and suppliers

Draft

This overview of expenses in 2023 entails a detailed examination of invoice details across. The goal is to analyze cash flows and formulate projections for effective financial planning. Key insights from the provided data include:

Cash Inflows

While specific cash inflow data is absent, projected assumption is considered

Cash Outflows

The data reveals a multitude of vendor invoices spread from December 2022 to April 2023, with significant expenses in categories like BA, BL, and CL, albeit without explicit definitions.

Cash Outflows by Month

A breakdown by month highlights substantial expenses in April 2023. Other months exhibit varying levels of expenditure.

Projected 2023 Cash Flows

Projections assume an even distribution of expenses throughout remaining months, estimating additional expenses in Q2 and Q3. These insights provide a comprehensive understanding of the financial landscape for strategic decision-making and planning.

Tools to create the product

Firefly III

Firefly III is an open-source financial management software designed for robust and customizable finance tracking and management

Data Visualization Tools (e.g., Tableau, Power BI):

Helps in creating visual representations of cash flow trends and projections.

Statistical Analysis Tools (e.g., R, Python with Pandas) and AI models trained on historical financial data

Useful for advanced statistical analysis if needed for complex financial modeling.

Integration with GST, and Income Tax portal

APIs facilitate collaboration between businesses and GSTN, ensuring seamless GST return filing, Taxation, Bill upload on portal and compliance.

The proposed model aims to forecast Cash Flow and investment income by optimizing cash utilization through considerations of payment terms and vendor dynamics. The scenario analysis will unveil the benefits and investment income potential, allowing for strategic recommendations on the best payment terms to maximize efficiency. Implementing the model on the last 7 months' data with the recommended strategy will provide a tangible measure of the benefits accrued during this period. Overall, these efforts promise enhanced financial efficiency, improved cash utilization, and informed decision-making for sustainable business growth.

Thanks

Pitch

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