Unlocking Liquidity

Reframing the Working Capital Agenda

As Q4 2025 unfolds, companies are deploying more opportunistic liquidity strategies. With inflation easing and interest rates stabilizing, the focus is shifting to working capital as a key lever to unlock cash, optimize liquidity, and drive operational efficiency. In this environment where margin compression, tariff uncertainty, and uneven demand are still present, working capital is not just the finance function's responsibility, it is a boardroom priority.

The mandate is clear: working capital must evolve from a tactical exercise into a strategic imperative. As a result, finance stakeholders are asking increasingly acute business questions on the topic. Is there real-time visibility into receivables and payables? Are collections aligned with obligations? Do vendor relationships enable flexibility and scale? Is disciplined cost management in place to navigate volatility without disruption?

To establish a level of preparedness and organizational resilience, it is critical to understand how to effectively manage the cash conversion cycle to influence working capital performance across the business.

Collections as a Liquidity Lever

A proactive collections strategy is pivotal to fortifying the balance sheet and fueling liquidity. With a disciplined approach, timely collections enable organizations to meet short-term obligations without jeopardizing long-term positioning or capital objectives.

Prioritize timely collections. Start with an accounts receivable (AR) analysis to identify trends and forecast inflows. Customer incentives can drive early collections, supported by automated reminders and clearly defined collection windows that align with cash obligations. Monitoring aging balances ensures reserve accuracy and effective planning for write-offs.

Ease the payment process. Offer clear, user-friendly payment methods. Where appropriate, support multiple payment options (online payments, electronic fund transfers, credit cards) to fit operational needs without overcomplicating the process. For point-of-sale and cash-intensive businesses, utilize smart safes to allow for immediate bank deposits while mitigating risks of cash loss.

Vendor Partnerships: Building Resilient Relationships

Vendor relationships are vital to the working capital equation. A coordinated and centralized approach enables organizations to maximize purchasing power, leverage economies of scale, ensure competitive pricing, and manage cost governance.

Evaluate products for consolidation. Implement a thoughtful vendor consolidation framework by identifying which products facilitate a streamlined supply chain and which ones are disruptive or costly. Compare the incremental cost of servicing each product against its gross margin. Focus on products with high margins that contribute meaningfully to profitability and reconsider those with lower margins. In this environment, geopolitical dynamics and tariff exposure should guide vendor decisions to protect margins and ensure continuity of service.

Build trusted vendor partnerships. Proactive communication with vendors helps to rationalize the vendor mix and maintain competitive pricing. When paired with consistent and timely payments, these relationships foster goodwill, secure on-time deliveries, and minimize vendor risk, especially in times of adversity.

Accounts Payable: Enhancing Control and Preserving Liquidity

Accounts Payable (AP) sits at the intersection of liquidity management and vendor relationships. When integrated into a broader working capital agenda, AP becomes more than a payment function, it becomes a safeguard for operational continuity and financial integrity.

Centralize AP to streamline execution. A centralized AP team with standardized processes enables consistent invoice matching, advantageous terms, vendor validation, and appropriate payment approvals. This helps the AP team execute timely and accurate payments while reducing the risk of fraud. After rationalizing vendors and validating the appropriate vendor mix, AP becomes more scalable with streamlined reconciliations, payment cycles, and disbursement controls. The result is reduced cash leakage and stronger operational efficiency.

Align cash outflows with liquidity needs. With stabilized processes and clear AP visibility, organizations can turn operational data into deliberate action. A well-structured AP function allows leadership to align payment timing with short-term liquidity forecasts and manage constraints through flexible scheduling, especially with trusted vendor relationships. This discipline preserves cash for critical obligations while maintaining continuity across the supply chain.

Operationalizing the Working Capital Agenda: Turning Insight into Action

The working capital practices outlined- timely collections, resilient vendor partnerships, and a centralized AP structure, should not be isolated activities, but rather a cohesive framework for working capital optimization, enabling visibility into cash movement, control over disbursements, and intentional deployment of liquidity across the business.

When supported by daily cash positioning reports alongside balance sheet-focused KPIs and rolling 13-week forecasts, the working capital agenda becomes actionable. These tools are most effective when operational execution is tightly connected to strategic priorities, fostering accountability and keeping working capital central to daily decision-making.

Even in periods of stability, disciplined working capital management serves as a hedge against future volatility. Organizations that manage working capital with conviction and rigor are better equipped to weather downturns without disruption and be opportunistic. As companies shift from reactive liquidity management to strategic execution, the ability to manage cash intentionally becomes a competitive advantage: one that enables resilience, agility, and sustainable success in an evolving landscape.

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The Ankura Advantage

Ankura Office of the CFO® can help. We partner with organizations to assess current strategies, identify gaps, and deploy scalable solutions that optimize cash flow and enhance resilience to optimize working capital, unlock cash, and navigate economic challenges effectively.

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