

# PROJECT STATEMENT

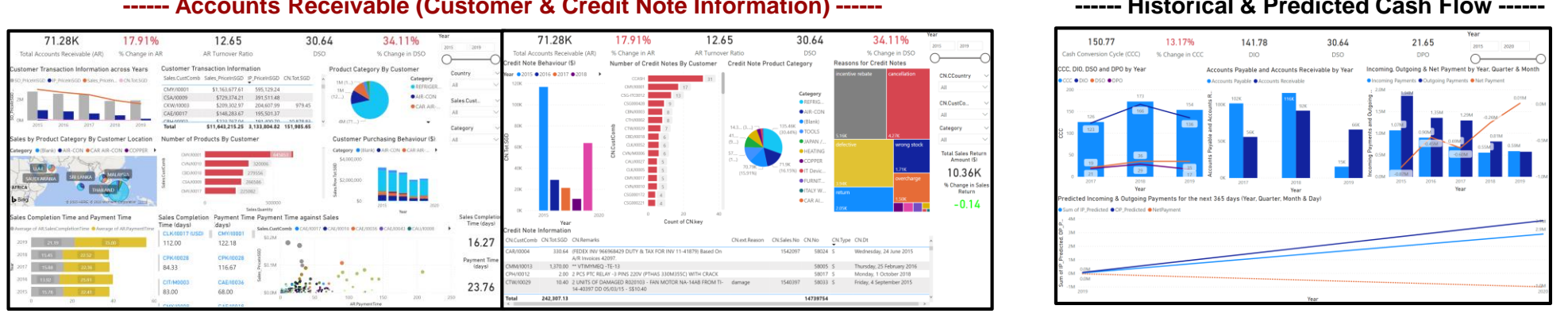
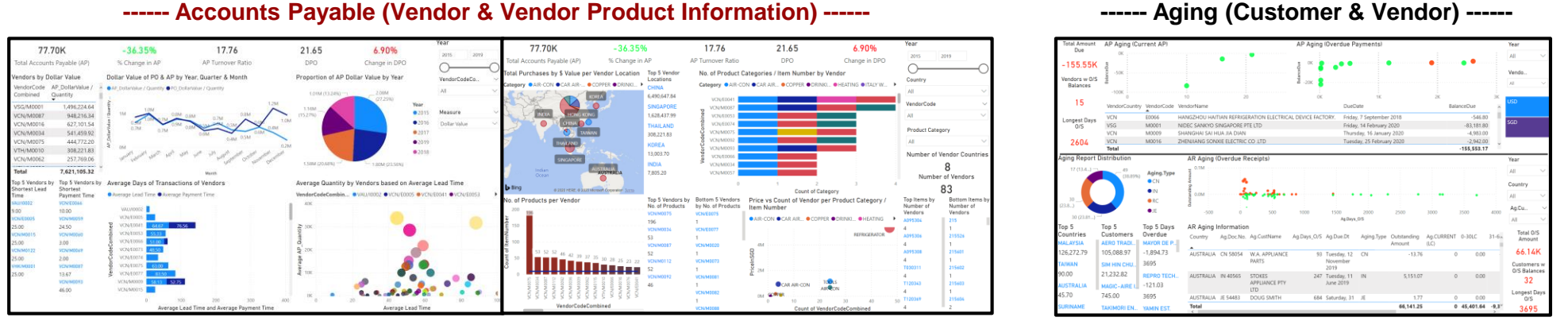
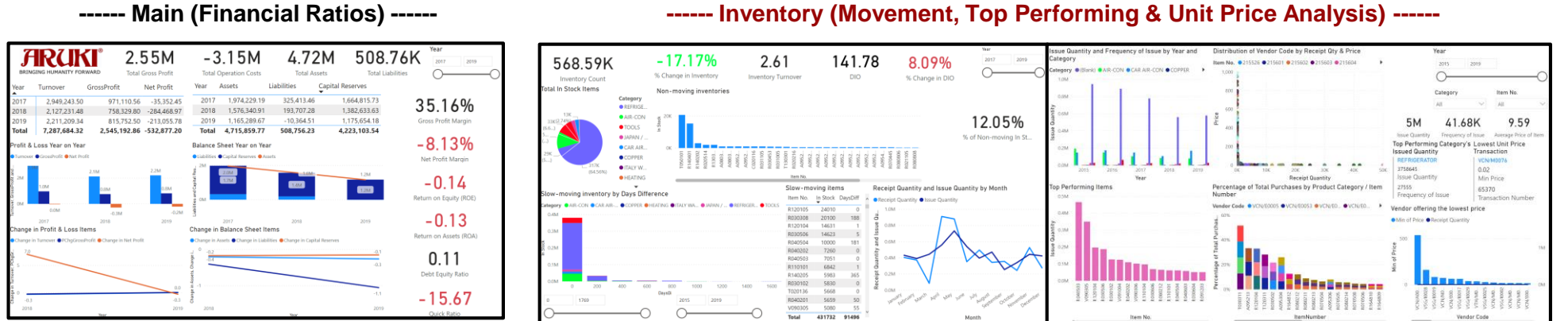
## Introduction

ASPT-Aruki supplies household spare parts – Heating, Vehicle, Air Conditioning and Refrigerator (HVAC/R), with its main focus on refrigerator spare parts. The business has expanded globally to focus more on international trade rather than domestic trade.

## Objective

*“Through the use of a CFO dashboard, the company is able to better understand its financial health position and can strive to achieve a favorable cash flow position for its current and future cash flows.”*

# DASHBOARD VISUALISATIONS



- ## INSIGHTS

  - 1) Main (Financial Ratios):** Gross Profit Margin remains consistent over the years whereas Net Profit Margin decreases over the years.
  - 2) Inventory:** Non-moving inventories (within the recent 5 years) takes up 12.05% of the overall inventories. The increase in inventory amount has also led to an increase in the overall Days Inventory Outstanding.
  - 3) Accounts Payable:** There is a decrease in accounts payable amount due to the upfront payment to vendors. Furthermore, there is a constant payment period ranging from 2 weeks to 1 month.
  - 4) Accounts Receivable:** The accounts receivable amount has generally increased from 2017 to 2019. The average sales completion time is 15 days. However, in 2019, the average sales completion and receipts time have increased by 6 and 13 days respectively.
  - 5) Cash Flow:** There is an overall increase in the Cash Conversion Cycle, which may be due to the increase in Days Inventory Outstanding.

## RECOMMENDATIONS

  - 1) Data Management:** Due to poor data collection, it reduces the overall data quality. Following measures to be adopted:
    - Create a unique identifier that is also non-reusable,
    - Impose automated validity checks,
    - Reconfigure the SAP system for necessary and relevant columns,
    - Standardise a uniform approach in any manual keying in of data,
    - Prohibit the overwriting of data.
  - 2) Relationship Management:** To evaluate its customers and vendors through a performance metrics scorecard, thereby using the scoring system by prioritising the factors which the company deems to be more important.
  - 3) Sales Management:** With the declining incoming and outgoing payments in the recent years, there is a need to carry out an assessment on the factors that drive sales, in order for more effective sales management. (E.g. Customer Profiling, Market Research)