

TRANSFORMATION STORY

AI-Enabled Forecasting *Unifies Cash Flow Visibility* for Multinational Manufacturer

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Disparate business units left a global company's leaders and investors with no level view of its overall cash position. In just two months, Armanino and financial leadership built a customized model to deliver real-time visibility.



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AI-ENABLED
VIEW OF CASH

The Customer

Meridian Adhesives Group comprises numerous locations across three continents, all working to produce innovative adhesive solutions for the electronics, infrastructure and industrial markets.

The Problem

With multiple business units using different currencies and banks, Meridian required more granularity and forecasting on company-wide cash flow against cash needs.

The Solve

Armanino's experts deployed an AI-enabled 13-week cash flow model to quickly arm business leaders with weekly, data-driven cash flow reporting and forecasts.

The Outcome

Having current cash generation (or burn) rates and cash flow projections by location lets the CFO confidently pursue capital expansion and acquisition plans and work with the sponsor on forecasting requirements.

Complex Business Structure Obscures Financial Visibility

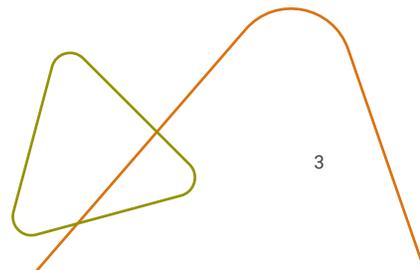
“The AI-enabled 13-week cash flow model provides the data required to make informed decisions about the capital and leverage needs of the company, while also driving transparency with our private equity ownership.”

Wayne Byrne
CFO, Meridian Adhesives Group

Meridian Adhesives Group manufactures unique product lines at multiple business units spread across three continents. Healthy organic growth and [private equity](#) (PE) investment have poised the company for significant capital expansion. But, like many large [manufacturers](#), Meridian’s geographic and operational diversity added complexity that limited the financial visibility necessary for its growth demands.

Meridian relies on nine U.S. banking units and additional foreign financial institutions to conduct day-to-day financial transactions, making a cohesive view of current finances critical. With varied currencies and fragmented data, the leadership team needed additional insight on a consolidated basis.

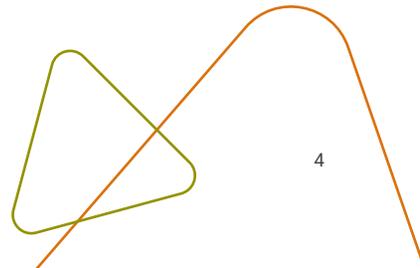
Meridian CFO Wayne Byrne needed better financial insights to guide his strategic decisions and keep the leadership team and investors informed about Meridian’s evolving cash resources requirements. On the recommendation of the PE firm, he reached out to Armanino’s [Strategic Finance Outsourcing](#) team, who had helped several of the firm’s other portfolio companies gain financial clarity.



AI Speeds Custom Cash Flow Data Modeling

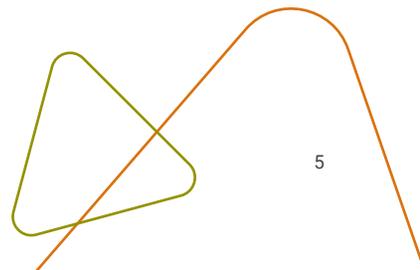
The Armanino team kicked off Meridian's transformation with an AI-enabled [13-week cash flow analysis](#), which combines the speed and automation benefits from AI with the human expertise of Armanino's consultants. This analysis is especially valuable when complex business and financial structures limit visibility, as Meridian's do.

Armanino's flexible 13-week cash flow analysis uses banking data rather than accounting records, which made for an ideal fit. After downloading banking transactions for the previous 12 months, the consulting team used the proprietary AI solution to classify all 32,000 transactions from Meridian's nine U.S. operating accounts. Sorting and matching thousands of transactions manually involves weeks of painstaking work, but Armanino's AI engine accurately completed the task in just minutes.



The Armanino team wanted a more sophisticated result than they could achieve by sorting the banking data with a standard process, although that would have been the easiest route. Instead, they custom-built a set of discrete categories that reflect Meridian's unique financial and operational processes before feeding the data into the AI solution. The extra effort was an investment that would yield more accurate results for better cash analysis. It would pay off again for Meridian over the long term, by allowing faster data sorting in the future.

Then, the consultants meticulously structured a segmented model of the banking data that includes a separate tab for each of Meridian's five business units. In addition to business unit-level data, the model captures the intricacies of the daily cash sweep structure between business units and the corporate account.



Rich Dashboard Consolidates Cash Flow Insights

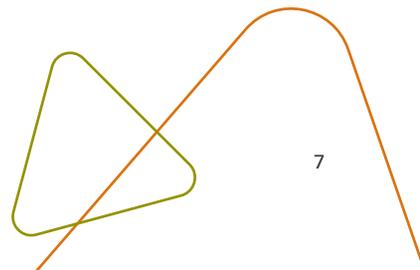
With the preliminary model complete, the Armanino team held weekly sessions with each business unit controller. The controllers learned how to add current data to the model using simple yet effective forecasting methodologies. Inputs include each controller's latest weekly cash receipts, disbursements and near-term liquidity projections. These sessions also allowed Armanino to fine-tune Meridian's cash flow model and verify that it accurately reflected the company's financial activities.

Armanino experts also worked with Meridian's European, Asian and Canadian finance team leaders during this phase, introducing them to the model and training them on how to apply it in their respective international settings. This collaboration equipped Meridian's foreign affiliates to produce their own cash flow models with a uniform template that creates company-wide consistency around cash reporting.

The Armanino team knew that business leaders can't afford to waste time digging for data. To complete Meridian's data transformation, they built a color-rich, one-page dashboard that gives a clear view of the company's financial metrics. This tool is simple to use and visually appealing but also quite powerful.

Finance leaders can consolidate current, company-wide information into the dashboard using updated transaction data and cash flow insights from the U.S. and foreign affiliate models. And, thanks to the customized transaction categories Armanino established, Meridian's weekly updates take just a few minutes to complete.

Each business unit controller updates the cash flow model on Monday to reflect their previous week's activity. They then submit an adjusted forecast to the corporate finance team. The data drives cash-focused conversations between controllers and Meridian's corporate leadership, supporting greater accountability for financial performance and cash management at the business unit level.

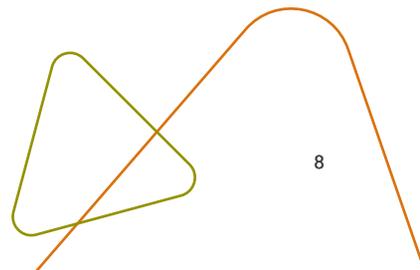


Better Data Fortifies Expansion Strategy and PE Relationship

Meridian's leaders can now see a current view of each business unit's cash position through the dashboard – complete with the 13-week cash outlook and the total liquidity across Meridian's global holdings. The CFO begins each week with an updated forecast that provides a timely and nuanced grasp of the company's financial position. As a result, he can identify areas of concern or opportunity at a glance and is always positioned for an agile response.

Overall, the CFO is better equipped to proactively address the diverse financial issues and opportunities of a global manufacturing company. Byrne says, "The 13-week cash flow model provides a deeper level of financial insight that simply isn't possible with the standard quarterly forecast."

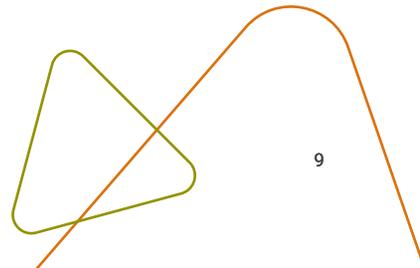
Those deeper insights include the visibility needed to make informed decisions on cap-ex spending and anticipate potential draws on the company's line of credit. He's been able to execute the company's expansion strategy confidently, with no concerns.



“The AI-enabled 13-week cash flow model provides the data required to make informed decisions about the capital and leverage needs of the company, while also driving transparency with our private equity ownership,” says Byrne.

PE firms often request complex financial data that companies don't have on hand, and they want to see it quickly. That can put added demands on financial leaders and create intense pressure for portfolio companies. Meridian is free of those reporting worries. When its PE investors have questions about financial performance, the CFO can respond quickly with accurate, current data to support his answers.

By taking advantage of Armanino's expertise in AI-supported cash flow modeling, Meridian successfully revamped its cash flow forecasting to deliver more timely and accurate cash forecasts, streamline cash flow management and equip leadership to pursue the company's growth goals with confidence. What's more, they completed this transformation in just two months — far less than the industry standard of three to six months — thanks to Armanino's custom-built models and in-house AI.



See How a 13-Week Cash Flow Model Can Transform Your Business

Could better data strengthen your business decisions and help you avoid costly cash flow crunches? Armanino's AI-enabled 13-week cash flow model can deliver game-changing clarity in as little as two weeks. Reach out to our [Strategic Finance Outsourcing](#) team today to discuss how we can bring cash flow reporting and forecasting clarity to all of your disparate business units.

Possible *(Re)Defined*[™]

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