

Week 9 discussion 1

Based on the content of this chapter and what you discovered in the e-Activity, analyze cash management technology and make at least one recommendation for another technique that would enhance working capital management. Explain the reasoning behind your recommendation.

Many businesses use software called Enterprise resource planning (ERP) systems to manage their day to day aspects of working capital. The ERP systems can automate internal and external management information across an entire organization, from different departments such as finance, manufacturing, sales and service . Their purpose is to facilitate the flow of information between all business functions inside the boundaries of the organization and manage the connections to outside stakeholders. ERP can analyze different categories such as receivables, payments to suppliers, salaries, cash flows and can forecast expected trends based on previous patterns. ERP will generate a detailed view of cash flows and provide different types of data for management to follow patterns and make decisions.

http://en.wikipedia.org/wiki/Enterprise_resource_planning