

Make Your Working Capital Work Harder: Finding Hidden Value in Payments

APRIL 8, 2019
AMERICAN EXPRESS





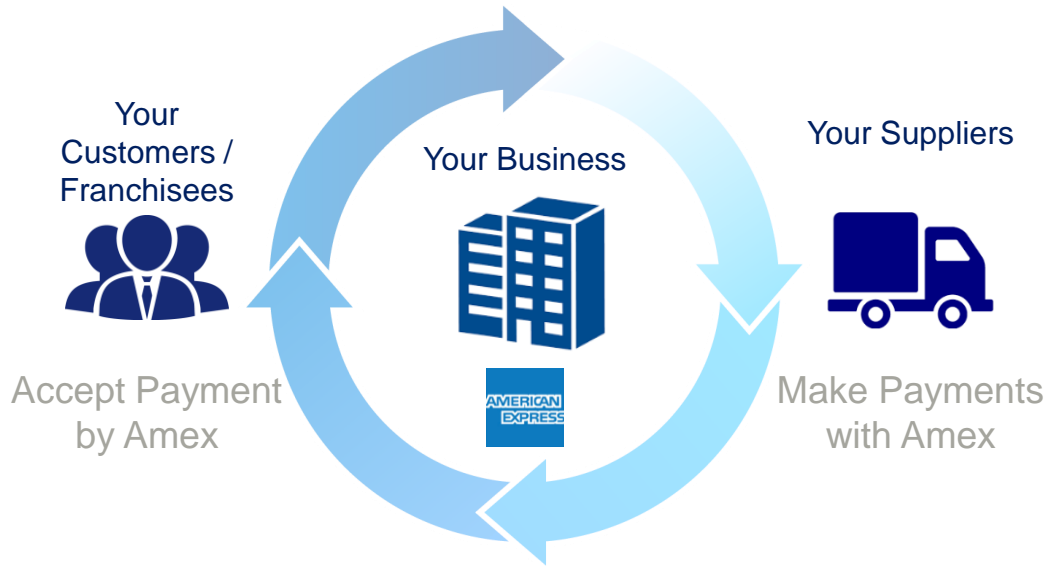
AMERICAN EXPRESS CANADA

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How American Express works with businesses

American Express helps businesses benefit from both accepting payments from clients and making payments to suppliers by having direct relationships with both



American Express Business Solutions



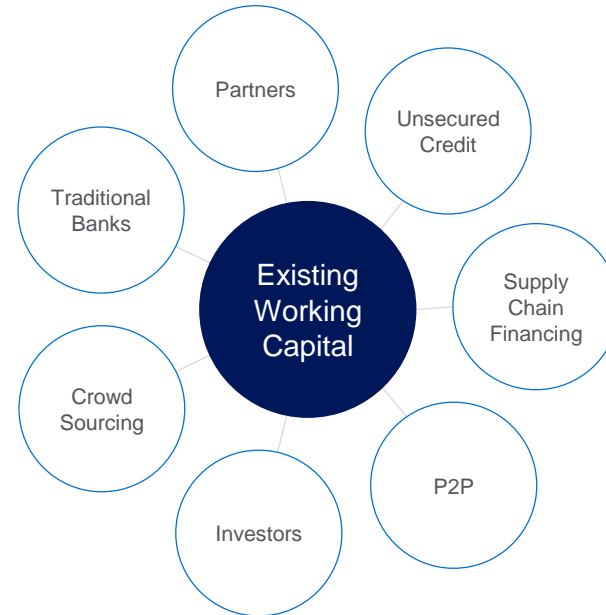
- Improve your cash flow
- Save on business expenses & earn rewards
- Streamline the billing process
- Gain powerful insights

- Accelerate client payments
- Reward customer loyalty
- Reduce the cost of receivables management
- Transfer credit risk to American Express
- Offer a consistent payment experience

Sources of Financing



Only 16% of SMEs are 'very satisfied'
with current financing options



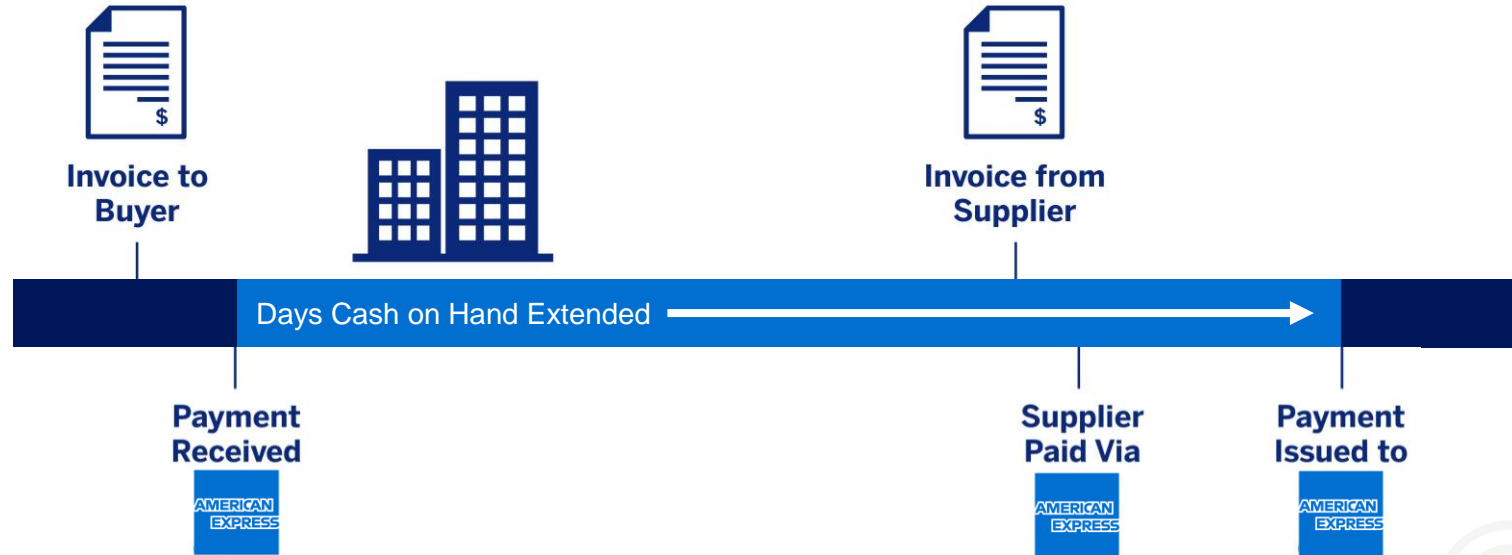
Key Strategies

- Turn your Accounts Payable (AP) & Accounts Receivable (AR) into Working Capital
- Work with Your Suppliers
- Flexible Incentives/Rewards



Turn AP & AR Into Working Capital

Leverage both payables and receivables to extend days cash on hand



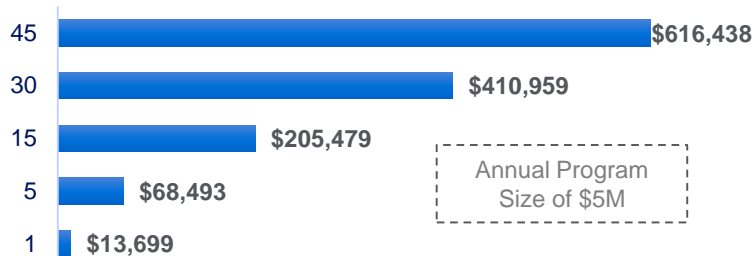
Benefits of Working Capital Management

Extending payable days up to 45 days can unlock \$616K of cash flow within a year. Through this, a company can benefit up to ~\$43K in interest savings without raising cost of borrowing or negatively impact their financial position on the books.



Amex Cash Flow Benefit of Extending DPO

When payables extended by

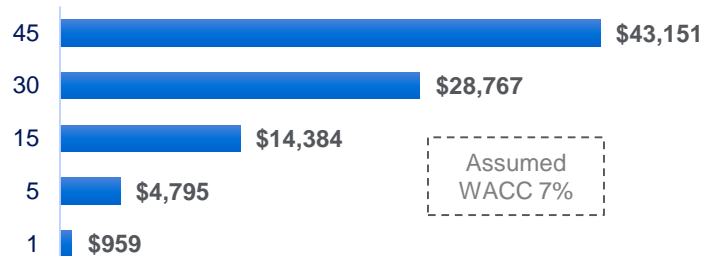


Days



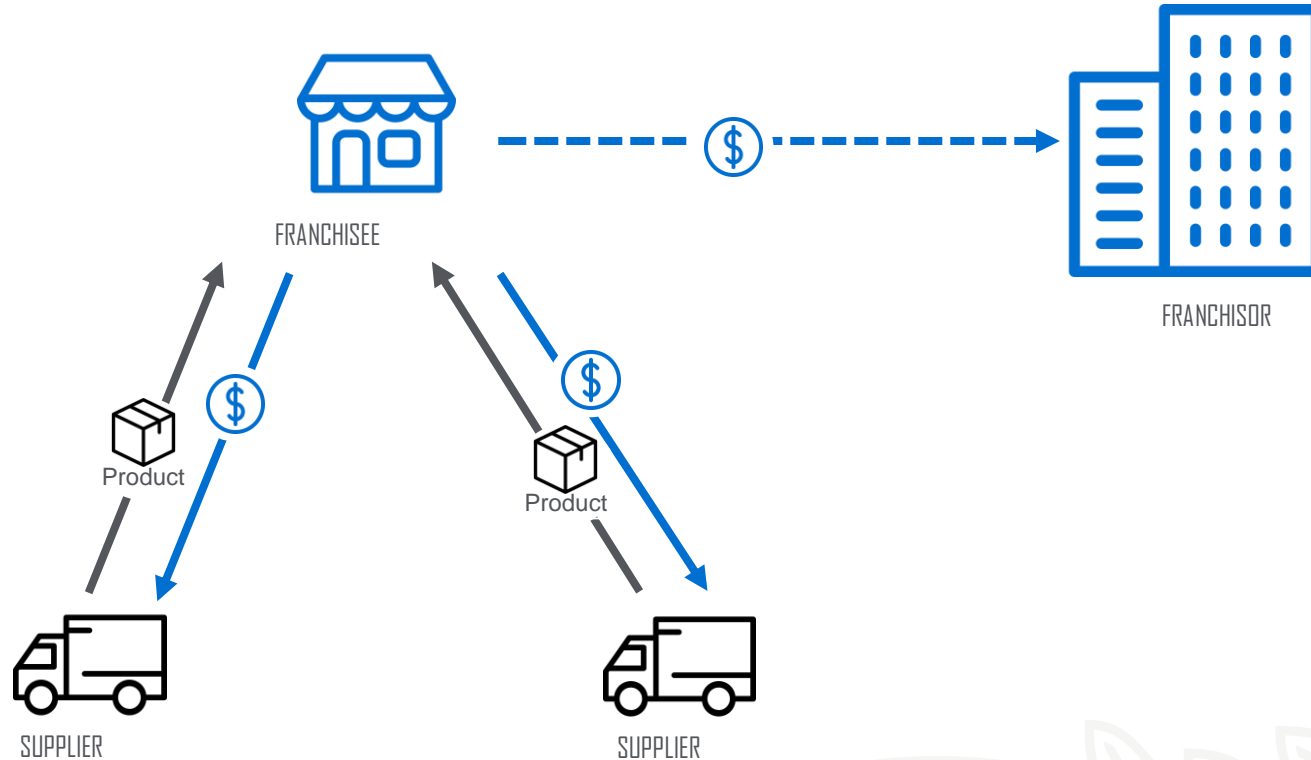
Savings on Benefits with DPO Extension

When payables extended by

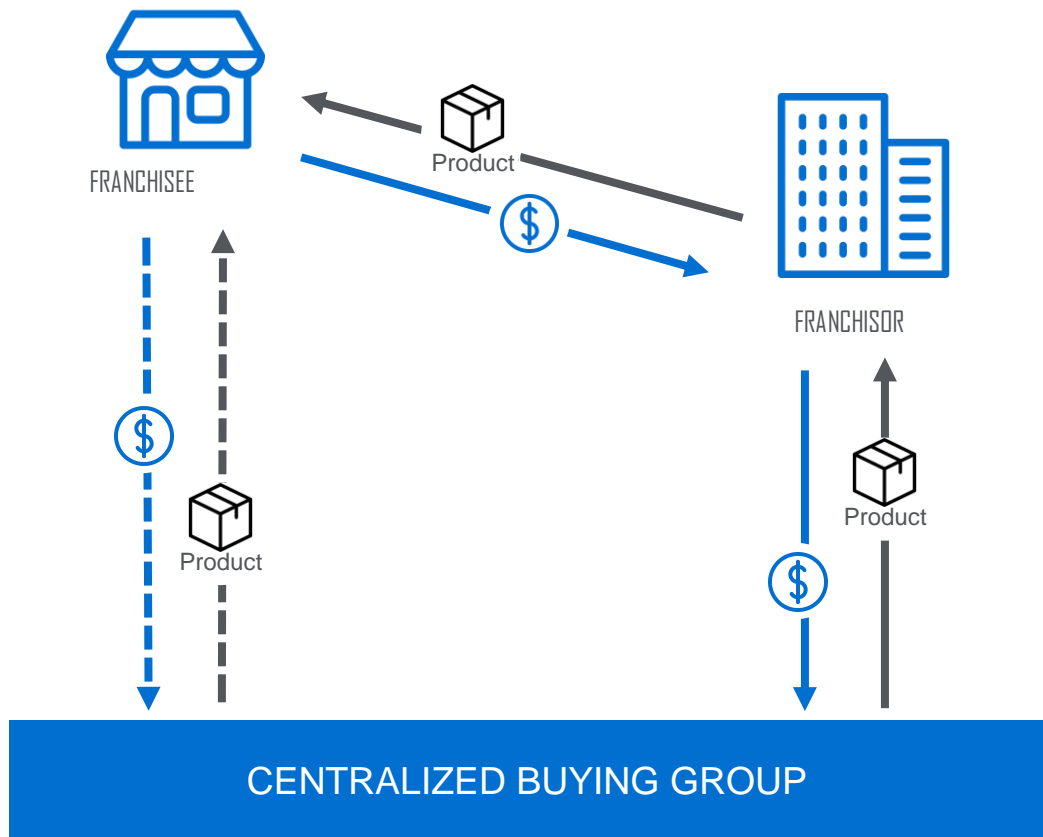


Days

Franchise Ecosystem: Decentralized Buying Group



Franchise Ecosystem: Centralized Buying Group



Optimize Supplier Relationships



Optimize
Payment Terms



Loyalty



Consolidate
Spending

Flexible Incentives & Rewards

- **Spectrum of Benefits:**
 - Rewards on business spend
 - Travel & entertainment benefits
 - Offset expenses
 - Improve DPO/DSO
 - Optimize financial metrics



Recap of Strategies

- Find Working Capital in Your Balance Sheet
- Work with Your Suppliers
- Leverage Incentives/Rewards



Thank you

Questions? Let's Connect!

Visit us at booth **#108**

Email us at **franchisesolutions@aexp.com**

Or visit us online at **www.americanexpress.ca/canadianfranchiseassociation**

