BOL CASE NOTE / INT-001

CASH FLOW SIGNAL · SANOFI · FRANCE

Revenue Can Look Healthy While Cash Tells a Different Story

Sanofi’s working-capital programme shows why the timing of receivables, payables and cash conversion can reveal something headline revenue does not.

COUNTRY OF ORIGIN	France	**BOL LENS**	Cash Flow
SIGNAL	Receivables · payables · cash cycle	**EVIDENCE**	Citi programme case study

The business was not looking only at revenue.

Sanofi’s treasury team worked with banking partners on a targeted working-capital programme. The programme examined accounts payable and receivable patterns, supplier payment terms and opportunities to monetise receivables.

The team agreed explicit measures such as DPO, DSO, free cash flow and operating-efficiency goals. The point was not simply to know how much business had been booked, but to see how long cash remained tied up inside the operating cycle.

RECEIVABLES	PAYABLES	CASH CYCLE
When customer cash arrives	When supplier cash leaves	Time between the two

Revenue tells you what was sold. Working capital can tell you how long the cash behind those sales remains inside the system.

10%

reported reduction in the cash-conversion cycle within 12-18 months

WHAT THE CASE SHOWS - AND THE EVIDENCE BOUNDARY

A measurable change, with an important evidence boundary.

Citi also reports an 11% working-capital improvement through the supply-chain programme and €800 million through the accounts-receivable purchase programme.

REPORTED OUTCOME	10% lower cash-conversion cycle within 12-18 months.
ALSO REPORTED	11% working-capital improvement · €800m AR purchase programme.
EVIDENCE BOUNDARY	Figures are reported by Citi, a programme partner; they do not establish that the programme caused Sanofi’s overall growth or profitability.

BOL OBSERVATION

Revenue tells you what was sold. Cash timing tells you what the business can use - and when.

LOOK AT YOUR OWN BUSINESS

How much of this month’s recorded revenue is still waiting to become cash?

What must be paid before that cash arrives?

A SIGNAL IS NOT A CONCLUSION.	Use this case to sharpen observation, not to turn one company’s experience into a universal rule.

Want to look at your own business?	**Try the Quick Signal Scan.** **businessobservationlab.com/en/qss**

SOURCE BASIS

Citi, Sanofi’s ‘play to win’ strategy crucial for working capital goals.

BUSINESS OBSERVATION LAB · Read the signals. Decide wiser.