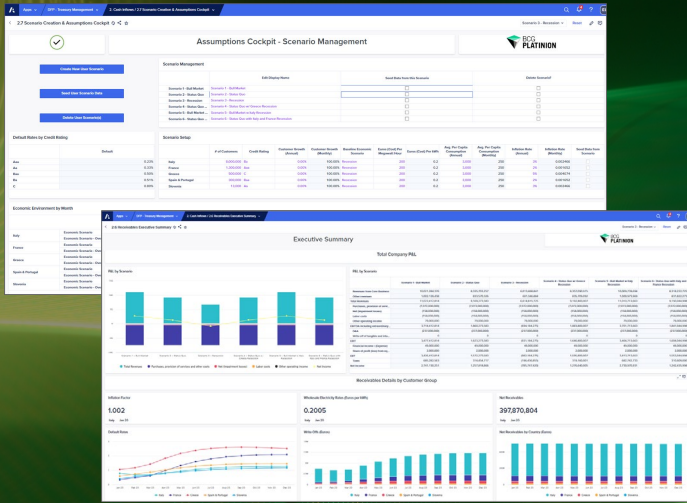# BCG

Our proprietary Receivables Forecasting solution on the Anaplan platform estimates the collectability of an organization's accounts receivable. The tool evaluates the impact of counter-party risk to a firm's expected cash collections and improves cash flow budgeting and forecasting accuracy through the use of Markov Chains.

Receivables Forecasting in Anaplan

leverages Markov chains to improve the accuracy of predictions and provides a flexible solution for scenario-based planning

Key capabilities

Probabilistic approach
Historical receivables data is used to calculate aging category transition likelihoods.

Financial integration
Enterprise-wide integration capability into liquidity or valuation models for timely and accurate forecasts.

Highly scalable
The Anaplan platform is cloud-based, so the approach scales seamlessly with the size of the model.

Regime switching
Multiple economic environments can be modeled and incorporated into forecasts.

Credit-based analysis
Customer credit rating data from external sources can be incorporated into analysis.

Driver-based planning
Identify key business drivers and driver-based logic to redesign financial planning process.

Key benefits

Real-time scenario analysis
Create and compare multiple scenarios on the fly to facilitate quick liquidity-related decision-making in areas such as revolver draw-downs, payment term negotiation, and overall cash management strategy.

Drill-down capabilities
Deep-dive into specific areas of the business or individual customer segments to understand key cash drivers at a granular level, then roll up results to view impacts across the organization.

Embed results into financial forecasts
Seamlessly integrate financial impacts to accounts receivable line items into corporate-level P&L, balance sheet, and cash flow statements.

Integrate with external data sources
Seed models with third-party data related to input prices, demand forecasts, and customer credit info to provide up-to-date views of an everchanging financial landscape.