

Capital release starts with the wrong question

Finding trapped cash is an analysis problem. Deciding which actions management should approve is a judgment problem, and that is where AI support has to go.

01

Where is the cash is the easy question

Capital release and liquidity programs usually begin by locating cash: excess inventory, slow receivables, stretched payables, underused assets. Analytics and AI make this faster than ever, and most finance teams can produce a long list of opportunities in weeks.

The list is not the hard part. The hard part is deciding which actions to approve, in what order, and with what safeguards.

02

The judgment behind each action

Every lever carries considerations that do not appear in the data.

Feasibility: whether operations can actually deliver the change without harming service.

Covenants and lender relationships that constrain timing and disclosure.

Supplier and customer reactions, and what happened the last time terms changed.

Sequencing, so one action does not undermine another.

Precedent from earlier programs inside the company or its sponsor's portfolio.

03

Two companies, same numbers, different decisions

Two companies with identical financial statements can need completely different programs. One has lenders who will tolerate a temporary covenant squeeze, the other does not. One has suppliers who will accept longer terms, the other depends on a single critical vendor. The analysis is the same. The right decision is not.

04

Making the judgment reusable

Restructuring advisers and experienced CFOs carry a mental library of what worked, what backfired and why. Capturing that library as explicit criteria, thresholds and precedent lets a finance team and its AI tools test proposed actions against it before they reach the board.

The interesting part of AI in corporate finance is not automating the spreadsheet. It is making that judgment available to every program, not only the ones where the right expert happens to be in the room.

Bring us one consequential decision.

Penomic makes a financial institution's definitions, policy, precedent and judgment usable by people, models and agents, with provenance on every output.

Request a private briefing at penomic.ai/contact · More research at penomic.ai/insights