

Unlocking Working Capital Through Digital Trade Solutions: A Guide for Corporate Treasurers

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Working capital inefficiencies are everywhere. From the smallest companies to the largest. Recent research estimates that **\$707 billion**¹ in liquidity is currently trapped in working capital across the S&P 1500. And that's just a tiny snapshot of the bigger picture.

For treasurers and finance teams, unlocking even a fraction of that trapped liquidity can significantly improve cash flow, strengthen operational resilience, and fuel future growth.

What's causing the issue?

Delays in invoicing, payment, and settlement continue to drag down liquidity. Manual, paper-based trade processes are a major contributor – slowing the entire working capital cycle and making it harder to access the cash that's already in the system.

Digitalisation is now proving to be one of the most effective ways to change that.

Enter DNIs: a smarter tool

Among the range of digital trade finance solutions, Digital Negotiable Instruments (DNIs) are gaining ground among corporate treasurers and CFOs as a practical and high-impact option for unlocking working capital.

Traditionally, negotiable instruments like bills of exchange

and promissory notes have been paper-based, creating friction, delays, and administrative costs. DNIs provide a simple yet smart digital alternative – securely recorded on regulated platforms, enabling faster, more transparent, and more efficient financial transactions.

Releasing trapped liquidity

By adopting DNIs, businesses can streamline their payment processes, reduce the time required to settle financial obligations, and eliminate the complexities associated with manual processes. This digital approach not only improves the speed of trade but also reduces the risk of fraud, and frees up working capital that would otherwise remain locked in inefficient systems.

Measuring the opportunity in your CCC

One of the simplest ways to identify how much liquidity is trapped in your organisation is to analyse your Cash Conversion Cycle (CCC). The CCC measures how long it takes to convert inventory, payables and receivables into cash. The longer the cycle, the more capital is tied up.

Tools like DNIs can shorten this cycle by accelerating cash inflows

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and unlocking value that's hidden in plain sight.

If you'd like to assess the potential in your own business, the International Centre for Digital Trade and Innovation (IC4DTI) offers a free, confidential CCC Calculator. It's a no-obligation tool that allows finance professionals to pinpoint inefficiencies, explore where digital solutions could make the most impact, and begin building a case for change.

If the results show meaningful potential gains, the next step is simply starting the conversation. With the right tools and partners, improved cash flow and financial performance can follow in a matter of weeks.

Calculate. Evaluate. Optimise ●

Footnote

1. <https://www.jpmorgan.com/content/dam/jpmorgan/images/payments/working-capital-index/increasing-efficiency-working-capital-index-2024-ada.pdf>