

Payment Optimization of Working Capital in FMCG Industry: A Systematic Literature Review

Rathnasekara, J. P. D. T.¹, Wijayanayaka, A.² and Withanaarachchi, A.³

Working capital management is managing current assets and liabilities which is essential for the FMCG industry since it is dynamically changing while engaging with complex cash flows. Therefore, scheduling the payments related to the working capital is more complex when consider it with the time value money concept. This systematic review is based on the purpose of reviewing the past literature papers which were published on payments optimization of working capital and major research gaps were highlighted. As the methodology, systematic literature review (SLR) method used under the main criteria. Also, this study is mainly based on 27 selected papers, published in peer review journals between 2003 and 2021. There were limited pieces of literature on payment optimization on working capital which implied the fact that limited researches were engaged in this area and most of them were based on working capital optimization but were not considered in terms of the time value of money concept. This study focused on payment optimization models of working capital to schedule them with considering the time value of money concept to get the maximum present value for the working capital. This study will be useful to researchers, academicians and those who are working in finance modelling with optimization area to make decisions on working capital with considering the time value of money.

Keywords: *FMCG industry, Optimization, Supply chain finance, Working capital*

¹ Department of Industrial Management, University of Kelaniya, Sri Lanka [diltenisha995@gmail.com]

² Department of Industrial Management, University of Kelaniya, Sri Lanka [anni@kln.ac.lk]

³ Department of Industrial Management, University of Kelaniya, Sri Lanka [amilaw@kln.ac.lk]