

Cash flow and operational resilience

Maintaining cash flow and operational resilience while navigating ongoing regional geopolitical tensions

The current geopolitical environment is creating greater unpredictability for businesses across the Gulf. Rather than sudden shocks, pressures are emerging gradually. Many businesses are experiencing slower cash inflows, rising freight and insurance costs, and increased volatility in sourcing and input prices. Collectively, these pressures tighten liquidity, extend working capital cycles and increase the day-to-day financial sensitivity of operations.

Businesses face growing timing mismatches between cash inflows and outflows. Inventory challenges, fluctuating demand and cost uncertainty all contribute to liquidity strain. Safety margins can shrink quickly if they are not monitored closely. Leaders need better visibility, faster decision-making and simple but robust controls. Businesses that act early retain more options and maintain trust with partners. Early action can make the difference between minor cash flow constraints and more serious business continuity concerns.



Top 5 considerations

Businesses need to ask

01

Test cash flow resilience

- Are our cash flow assumptions still realistic given slower collections and shifting customer behaviour?
- Have we stress-tested extended delays, partial defaults and sudden cost spikes?
- Do we know our true cash runway, week by week, under base, downside and severe scenarios?

02

Assess supply chain exposure

- Where are we dependent on single suppliers, corridors or ports that could be disrupted?
- What pre-approved alternatives do we have, and how do landed costs change under each?
- Have we priced in volatility clauses or surcharges to protect margins when routes shift?

03

Review working-capital discipline

- Are extended customer payment and slow-moving stock quietly constraining liquidity?
- Do our purchasing and payment behaviours match today's risks?
- What immediate, low-disruption steps can release cash now?

04

Identify operational dependencies

- Which partners, systems or roles are single points of failure under multi-point stress?
- Have we tested manual workarounds and cross-trained teams to preserve throughput?
- If disruption lasted 12 weeks, what service levels could we still guarantee?

05

Evaluate financing headroom

- What is our up-to-date covenant headroom, sensitivity and cure options by scenario?
- How would sales or costs volatility affect our ability to meet loan terms?
- Are we engaging with lenders early, before any issues materialise?

Practical actions to manage and reduce risk

Strengthen near term liquidity discipline

Maintain rolling short term cash flow visibility refreshed weekly, under realistic downside scenarios. Prioritise critical payments, accelerate collections, tighten approvals for non essential spending and establish daily or weekly dashboards. Early visibility enables leadership to correct course before gaps widen.

Rebalance working-capital drivers

Reassess credit terms, negotiate supplier flexibility and align purchasing cycles with actual demand. Right size inventory through structured reviews and early warning triggers. Releasing tied up cash through improved receivable discipline or inventory optimisation strengthens resilience without compromising operations.

Maintain strict financial oversight

Develop clear early-warning indicators that signal emerging stress. Track payment delays, sales declines and cost variances as they occur. Monitor risks linked to banks, suppliers, and major customers. Agree in advance the actions to take when certain warning signs appear. Test worst case situations to understand what could break the plan. Strong control helps avoid sudden problems and supports better decisions.

Reinforce governance and confidence

Establish a weekly cash, risk and operational review cycle with clear ownership. Make each team accountable for the areas they influence. Obtain an independent assessment to strengthen decision making and scenario planning efforts. Maintain transparent communication with lenders, investors and key suppliers to avoid unnecessary escalation. Strong governance buys time, trust and more favourable terms when it matters.

Reach out for any discussions or support regarding operational resilience.



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