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Cash management [4], distance measures [5], multi-criteria decision making [6], robustness [7]

Resum
Cash management decision making can be handled from a multiobjective perspective by optimizing not only cost but also risk. Nevertheless, choosing the best policies under a changing context is by no means straightforward. To this end, we rely on compromise programming to incorporate robustness as an additional goal to cost and risk within a multiobjective framework. As a result, we propose to calculate robustness as a multiple criteria distance index that is able to identify the best compromise policies in terms of cost and risk. Such policies are also robust to cash flow regime changes. We show its utility by transforming the Miller and Orr’s cash management model into its robust counterpart using real data from an industrial company.

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