

# MODERN CREDIT RISK MANAGEMENT

Customer Portfolio Management Can Scale Your Trade Credit Team's Resources

In the current world of economic instability, it's more crucial than ever to have a big-picture view of all of your accounts' performance. Portfolio management allows you to analyse different segments of your customers so that you can better understand your exposure, such as who pays late, who's at risk of paying late, and whether they're all in the same industry or country.



## What Is Portfolio Management?

This all-encompassing approach is the proactive, strategic practice of managing and monitoring your existing customer account base to understand the impact of your credit policy – whether you have 500 or 500,000 accounts.

Here's what that means to you:



Strategic use of collections resources



Targeted benchmarking and trends



Streamlined engagement with sales



Superior management of account reviews



Improved regulatory compliance and reporting



Better understanding of corporate family exposure



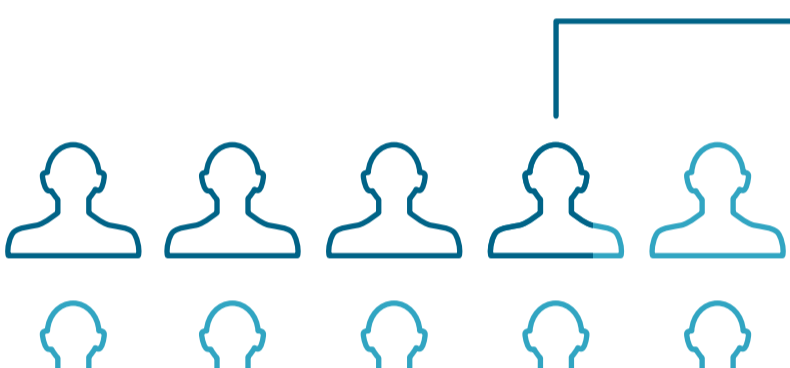
Visibility into new accounts sourced from partnerships, mergers, and acquisitions



Improved insight on risk to get the best rates from banks, credit insurance companies, and outsourcers

## Greater Insights Help Credit Teams Manage Risk

The level of insight you gain through portfolio management produces insights on emerging trends across the globe, providing opportunities to adjust your current credit and collections policies to better manage risk and make confident credit decisions.

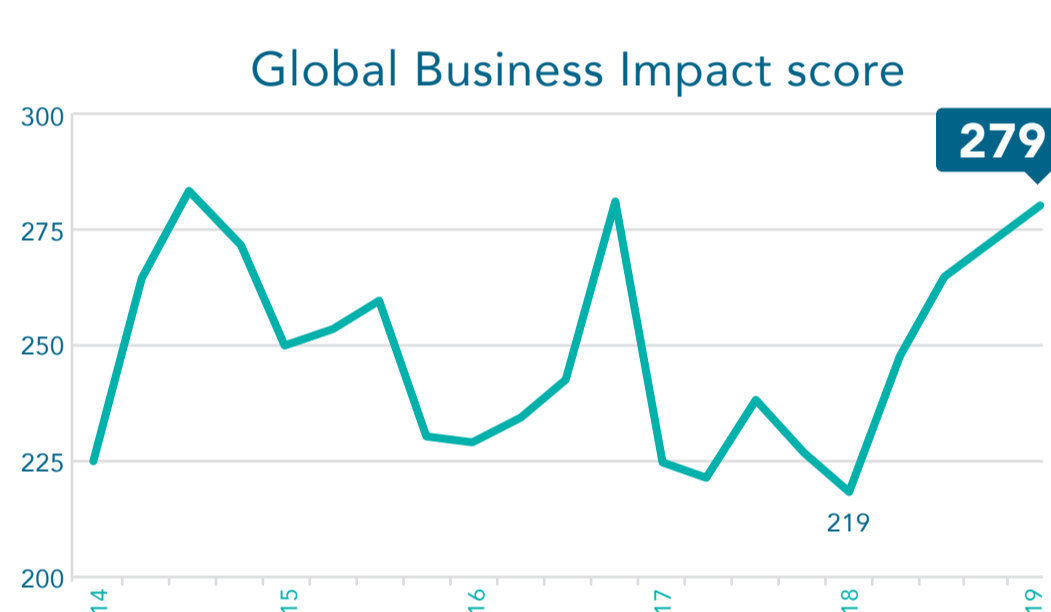


**38%**

Finance leaders who reported in a recent global survey by Dun & Bradstreet that the inability to properly monitor risk within the customer, supplier, or partner base is a top risk.<sup>1</sup>

**279**

D&B's Global Business Impact score (out of a maximum of 1,000) in Q1 2019, up from 219 in Q1 2018 and an indication of a deterioration in the global business operating environment.<sup>2</sup>



**66 Days**

Average DSO (days sales outstanding) globally in 2017, the highest since 2007.<sup>3</sup>

## 3 Tools for Portfolio Management Success

While modern credit professionals need portfolio management to better understand total risk and identify growth opportunities, they also need the right tools to make that process efficient and effective.



### 1 Predictive analytics

Identify potential future risks that you wouldn't see simply by looking at payment trends. Prioritise the review of potential high-risk customers and customers with additional spend capacity – increasing credit limits where needed.



### 2 Alerts

Stay apprised of changes in your customer base – through an email and a notification – that may affect your level of risk and opportunity. For example, know instantly if a customer has had a credit score change, is the target of a lawsuit, has moved, was recently purchased by another company, etc.



### 3 Dashboards

Segment customers by data elements such as business size, industry, or location.

## Conclusion: Get Results



**£1.8M**

Additional annual cash flow for those D&B clients who have a business with £95M in revenue and £11M in outstanding receivables



**7 Days**

Reduction in DSO for D&B customers who use workflows driven with predictive analytics