# Dun & Bradstreet & SBFE® Use Cases

## Powering Your Small Business Relationships with SBFE Data™ & D&B Analytics

Financial institutions will improve their bottom line by leveraging SBFE-powered analytics from Dun & Bradstreet across the credit lifecycle – origination and underwriting, account management and portfolio monitoring, collections and recovery. D&B combines the power of SBFE Data™, our innovative data sources and superior identity resolution capabilities to improve underwriting, segment customer accounts, and identify risks and opportunities within your customer portfolio. Our solution also improves collections and recovery efforts. The combined predictive power is unrivaled in the market today.

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| Work Flows | Originations & Underwriting | Account Management & Portfolio Monitoring | Collections & Recovery |
| Business Impact | Maximize New Applicant Profitability or Approval Rates | Risk Mitigation & Profit Optimization | Maximize $$ Collected & Efficiency |
| Analytical Capabilities | Standard & Custom Models | Standard & Custom Models | Custom Collections Model |
| | Line Assignment Decision | Activation & Balance Build | Recovery Analytics |
| | Score Cutoff & Approval Rate Analysis | Early Warning | Third Party Outsourcing Analytics |

## ORIGINATIONS & UNDERWRITING

Credit professionals are tasked with maximizing new applicant profitability every day. Institutions, while wanting to reduce bad debt, want to maximize approval rates. Institutions also need to identify those applicants with a high likelihood of payment default. High risk applicants that have the highest probability of never paying, need to be eliminated in short order. D&B helps organizations identify and avoid high risk applicants. Additionally, we empower institutions to set the most appropriate line size to maximize profit.

Innovative SBFE-powered analytics from Dun & Bradstreet can help drive efficiency and profitability in loan origination and underwriting. Lenders gain increased transparency of creditworthiness via a single view of a small business applicant, providing far more predictability than traditional trade.

The new combined data set is ideal for risk mitigation. Standard and custom models can predict serious financial payment delinquency in the next 18 months on a new account (i.e. loan), and better assess the risk of delinquency on specific services (card, loan, lease.)

Understanding the total debt exposure compared to the financial capacity of a business helps financial institutions set the appropriate credit line assignment. More than 900 SBFE attributes derived from detailed SBFE account data (i.e. total % utilization, payment performance, balance velocity ratio) provide highly desirable predictive characteristics for custom origination models, and/or more accurate credit line assignment. Post origination, the new SBFE-powered analytics from D&B empowers score cutoff and approval rate analysis that help adjust risk tolerance strategies.

## ACCOUNT MANAGEMENT & PORTFOLIO MONITORING

Credit professionals need to manage individual accounts as well as monitor the entire customer portfolio to mitigate risk and optimize profits. Lenders need to identify accounts that show early signs of credit decay before it is too late.

Innovative SBFE-powered analytics from Dun & Bradstreet can help with risk mitigation and profit optimization during the account management and portfolio monitoring processes. Lenders can more accurately assess the risk of an existing customer – specifically, the risk of the customer filing bankruptcy in the next 12 months, impeding your cash flow and lengthening the time it takes to get paid.

Standard and custom models can refine your account management strategies through triggers and scores appends. This allows you to have the most up-to-date information on your accounts and ultimately better understand who are the late payers, vs. on time payers, vs. those who will pay extremely late or maybe not at all.

Additionally, organizations want to maximize penetration and growth with their existing customers. D&B data also assists in the growth of key accounts, increasing business with the most stable and expanding organizations. Activation and balance build analytics can identify high performing accounts with higher account balances and no impending risk–ideal for line increases and increased profits.

Early warning signals can protect against losses by surfacing current information regarding business decay, deceptive activities and other significant events. Rapid access to this information provides financial institutions the ability to build contingency plans in advance of negative business events.

## COLLECTIONS & RECOVERY

Collections professionals need to maximize dollars collected while improving workload efficiency. Financial organizations need to assess collectability based on risk levels vs. observed customer behavior. There is a key requirement to optimize collections queues – knowing which delinquent customers will eventually pay versus those who will not – to maximize collections results and minimize losses.

Innovative SBFE-powered analytics from Dun & Bradstreet can help optimize collection and recovery efforts. Lenders can more accurately assess the probability of collectability across the portfolio.

Custom collections models can identify and segment delinquent accounts according to internal and external risk and collectability thresholds. Institutional resources can be prioritized in a more efficient manner with more past due balances collected, lower account delinquency, and fewer losses incurred.

Choosing between sending an account into collection versus servicing and nurturing is a critical decision. Recovery analytics can identify accounts deemed collectible with a significant return on action by internal resources while accounts deemed uncollectible are outsourced to a third party.

## IN CONCLUSION

Financial institutions will improve their bottom line by leveraging SBFE-powered analytics from Dun & Bradstreet across the credit lifecycle. D&B combines the power of SBFE Data, our innovative data sources and superior identity resolution capabilities to improve underwriting, segment customer accounts, and identify risks and opportunities within your customer portfolio.



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