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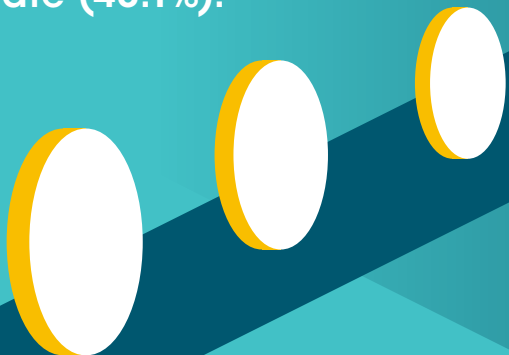
WHITEPAPER

Prevent late payers and defaulters

Protect your organization:
get paid faster

Late payers and defaulters: nobody wants them, almost everybody has them

It is no secret that many companies have to deal with late or delinquent payments. The 2020 Global Trade Credit Payments Study, by Dun & Bradstreet's Worldwide Network Partner CRIBIS, shows that the majority of companies pay 1 to 30 days late (48.1%).



Obviously, your organization wants to avoid this issue, since it causes cash flow problems – and in the worst-case scenario can even obstruct your organization’s business operations. Situations like that can lead to a domino effect: when one thing topples, it can cause the whole system behind it to come crashing down. If your customers don’t pay you, you may end up in a position where the delinquent payments eventually make you unable to pay your own creditors on time.

However, the delayed or delinquent payments cannot always be attributed to the organization that is supposed to be transferring the payment. It is not uncommon to see that the invoicing party has actually made a mistake. Examples include not entering the customer’s change of address in a CRM or ERP system. The invoice is sent to the old location or the previous account manager’s email address, you have to call the customer and figure out what went wrong, the invoice has to be re-sent – and it is only then that the whole process can really get started. And that means that you will have to wait even longer for your money.

THE GOLDEN COMBINATION: PROCEDURES AND DATA

How do you make sure that your invoices are paid in time? The answer is procedures and data – no matter how big or small your business is. Automated processes reduce the risk of things falling through the cracks. Predefined procedures ensure that you work more efficiently. This does not have to be complicated. Even small businesses can perform credit checks, make sure they have the correct name and address on invoices, set credit limits, and send reminders if an invoice is late. At the end of the day, these are all ways to protect your business.

Five tangible tips to get paid faster



GET PAID ON TIME

By following these five tangible tips, you can rest assured that payment will be fast.

1

Check their credit rating in advance

There is no harm in doing a bit of preliminary work.



Are they part of a larger corporate structure?



Who is the customer?



If so, how healthy are the other companies within the group?



What are the business activities of your customer or prospect?



And what does the customer's payment history look like?



These are all questions you need to be able to answer before you take on a new customer and start delivering goods or services. This helps you minimize the credit risk for your company. Using external data ensures that you always have access to the most recent updates on companies. External data also enables you to monitor your customer's credit ratings later in the process.

2

Make sure to use correct invoice details



This may seem obvious, but it is extremely important in order to get paid on time. Make sure that you are aware if a company changes its name or address, for example. External data can help with that, ensuring that you always have up-to-date general information about your customers. This helps you avoid delayed or delinquent payments.

3

Implement an organization-wide credit policy

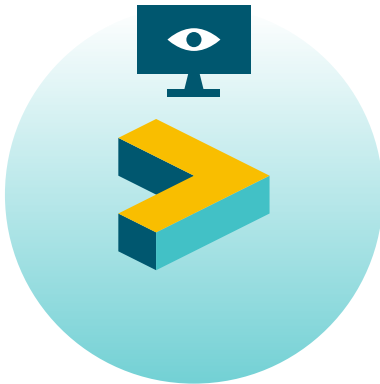


Create internal procedures and define who is responsible for credit management, how invoicing should be handled, and how to react if payments are delayed. Ensure that everyone in the company who is involved in the process is aware of the policy. When using a credit platform, you can use the company's credit policy to set customized alerts in customer monitoring. This means that you will always be notified of any flagged findings that do not conform to company policy.

4

Keep monitoring your customers.

Once your customer has been added to your portfolio, it is important to ensure that you can continue to respond effectively to the customer's potentially changing risks. To that end it is important that you continue to monitor the customer. Nowadays there are online platforms that offer solutions for this. Such platforms can help you make strategic credit decisions and monitor existing customers. D&B Credit is such a platform. This platform can provide you with a quick overview of the payment behavior of new and also existing customers. The Altares Dun & Bradstreet data cloud ensures that you stay up-to-date on a customer's risk profile. That way you will also rule out any financial risks in the future.

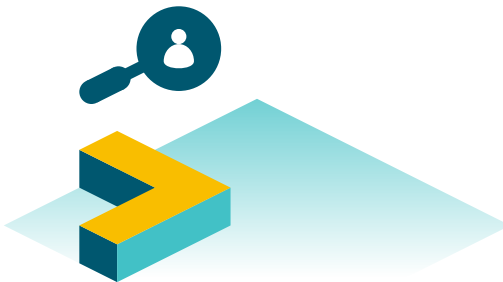


5

Respond to the customer's risk profile.

Our Payment Index allows you to track the customer's payment behavior and based on that set a reasonable credit limit, thereby limiting the risk of non-payment. By treating late payers and non-payers differently - for example, by asking for payment in advance - you gain control over invoices and thus get paid faster.

Because you are aware of your customers' risks because of the data cloud, you can segment them into high and low risk profiles. That way you are able to better respond to the profile of your customer and eventually even improve the customer relationship. For example, you can do more business with customers who are shifting from a high to a low risk profile in order to increase your turnover in this customer segment. Even if customers do have a higher risk profile, you'll obviously still want to retain them as customers - but perhaps with adjusted delivery or payment terms.



All the data in a single environment



There are many ways to benefit from using relevant external information and integrating it into your systems. Keep the database clean throughout your organization. You can validate and enrich your customer and prospect information directly from your business application. Up-to-date information becomes directly accessible within your own ERP environment and can be used to automate your acceptance process and improve your scoring model.

The use of external data within your own platform can be a great help in risk mitigation. In the end, deploying that data effectively can even lead to solid, long-term growth in company turnover. The Altares Dun & Bradstreet data cloud consists of many sources, giving us access to accurate insights and ensuring you will always be up to date on the latest indicators.

Are you interested
in using an external
data source for
your company?

Get in touch with us.

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