



Part of Dun & Bradstreet's
Worldwide Network



WHITEPAPER

Credit risk automation in 3 steps

Intro

If you are a credit manager or another finance professional, automation makes your work far more enjoyable and efficient. Automation saves you valuable time, allowing you to focus on complex cases and increase customer satisfaction.

In addition, automatic customer monitoring provides 24/7 insight and minimises compliance-related risks. With credit automation, you no longer need to compile complicated reports, because this is done for you.

Since credit risk management involves so many steps, you'll want to automate these steps carefully. After all, you are working with sensitive data and want to be able to make your decision with 100% certainty.

In this whitepaper, we show you how to do this with optimal efficiency. We'll start by showing you how the perfect credit risk management automation system should look like. Like that, you will know which result you want to aim for. Then we will give you 3 steps to help you set up this process.

Finally, we will give you a practical example. Theory is great, of course, but knowing how it really works is far more important.

The perfect automation flow





Customer/Supplier in ERP/CRM

- As soon as a customer fills in the registration form, this information is automatically entered in your CRM/ERP system.



Identification

- The correct entity within the corporate structure, if any, is selected.



Verification

- The data about the company is enriched and verified.



Data

- The data that will be used to determine the risk comes from multiple sources to give you a 360-degree view of the new customer.
- Internal data: you've already determined what did and didn't work through trial and error.
- Dun & Bradstreet Worldwide Network.
- By getting the data from the world's most complete business database, previous payment experiences with this customer can be retrieved through the Paydex and the general D&B Credit rating. This gives you an optimal picture of the company's financial health.



Risk Automation

- A custom scoring model is built based on the risk appetite of your own company, which automatically attributes a kind of traffic light label to individual customers.
- In the case of a green label, a customer is automatically accepted, removing the need for any manual work in this process.

- In the case of an amber label, you can accept customers, possibly with additional terms, however. These could include paying part of the order in advance, a shorter payment term or lower maximum order value.
- When attributed a red label, the customer is automatically rejected for failing to meet the requirements that you have set. In this case, you can opt to automatically send the customer an email to explain the rejection.



Monitoring

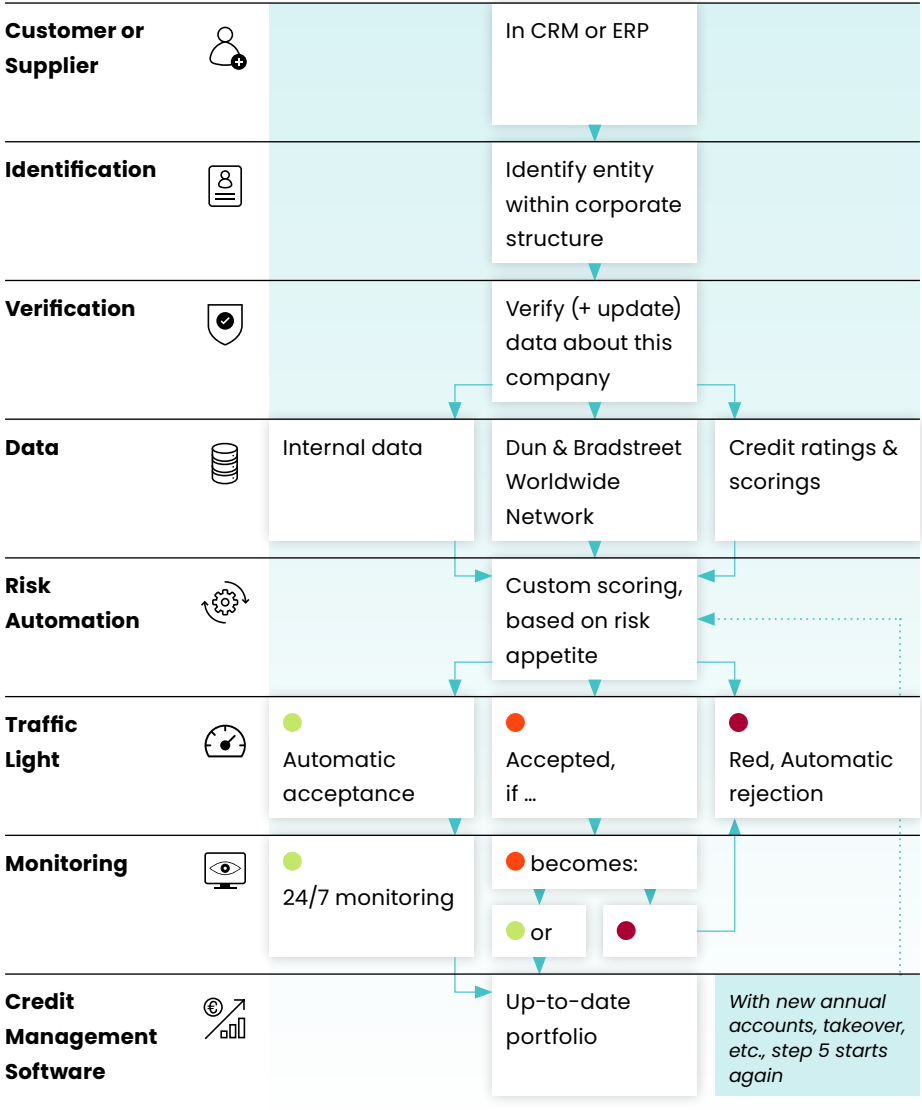
- The process does not end at acceptance. This is just one stage in the process. You also want to know when something changes. Automatic monitoring means you don't have to do anything. You will automatically receive a notification when a company's credit status changes.





Credit Management Software

- All this information can be found and is regularly updated in the credit management system, enabling you to always make the right decisions based on current data.

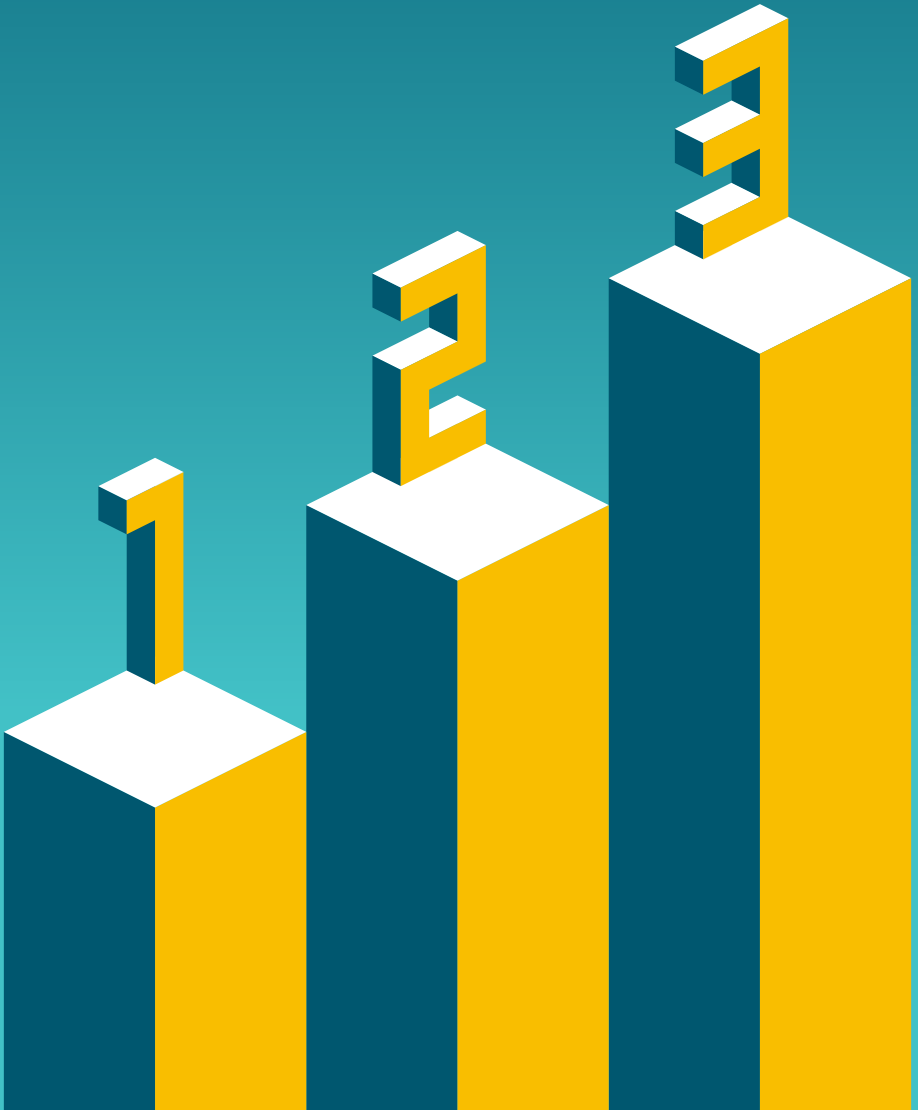
Credit risk automation



Benefits of CRA

	 Credit management	 Credit Risk Automation
Credit Report	Manually request credit reports on a new customer or supplier.	Automated credit check when a new customer is created in CRM.
Dataverrijking	Enrich accounts with deeper insights via batches of data.	Automatically enrich accounts with in-depth insights.
Alerts	Being surprised by risks due to changes at the customer or supplier.	24/7 monitoring discovers the risks in your portfolio and sends alerts.
Customer Acceptance	Review and process new customers (partially) manually.	Automate customer acceptance process away within existing workflow.
Custom scoring	Screen customers and suppliers with a generic scoring model.	Apply custom scoring to customer segments.
Data	Use of different data sources create data silos.	One data source with current and reliable business (financial) information.

Building the perfect process for your business



You'll find a model process described below. This process does not apply to every company. The process is adjusted based on your needs and the maturity level of the organisation and the finance department.

STEP



Mapping out the current process

We start by looking at your current process. Which steps are you going through right now? What is your current risk appetite and which considerations are you making? All the process steps are identified to ensure that we match the new situation optimally with your wishes.

STEP



Cleaning up data

In the next step, we will look with you at the data you currently have and clean it up. For example, duplicate records in your CRM, incomplete information or outdated data. Master Data Management is essential for this step.

WHAT IS MDM?

Master Data Management (MDM) encompasses the tools and processes an organisation uses to create a single source of truth for all of its critical data. MDM allows an organisation to disseminate consistent and accurate master data across the organisation.

Data management system vs. Master Data Management

While a data management system collects, organises, protects and stores all of an organisation's data, MDM aims to organise, centralise and update only the master data.

When all data has been cleaned up and flows effortlessly through your organisation, it's time for the next step.

STEP



Switching to automation with Altares Dun & Bradstreet

Now that the preparations have been made, the real work begins. At this stage, depending on the knowledge you already have internally, scoring models are created for you, or the solution is implemented with your company's scorecards. You can also choose to work entirely with our data, or to combine that data with the data that you collect yourself.

[Schedule a free 1-1 consultation](#)

Practical example

Now that we've covered the theory in depth, it will help to take a look at a company that went through this process. SEW-EURODRIVE is the perfect example.

SEW-EURODRIVE, a leading company in the manufacturing industry, wanted to be able to constantly monitor the creditworthiness of both new and existing customers. They needed a solution that would allow them to track customer status in a portfolio management-like environment. They used to rely on periodic trading reports, but they wanted to switch to a more automated and real-time system.

SEW implemented scorecards, based on both external and internal data, to assess the creditworthiness of customers. They worked together with Altares Dun & Bradstreet, who had the technology and expertise to collect the necessary data and link it to SEW's SAP ERP system. As a result, relevant data was automatically loaded into the system on a daily basis, enabling the credit management department to work faster and more efficiently. The scorecards were automatically updated when changes occurred in Altares Dun & Bradstreet data, allowing SEW to categorise customers into different risk categories and take appropriate action.

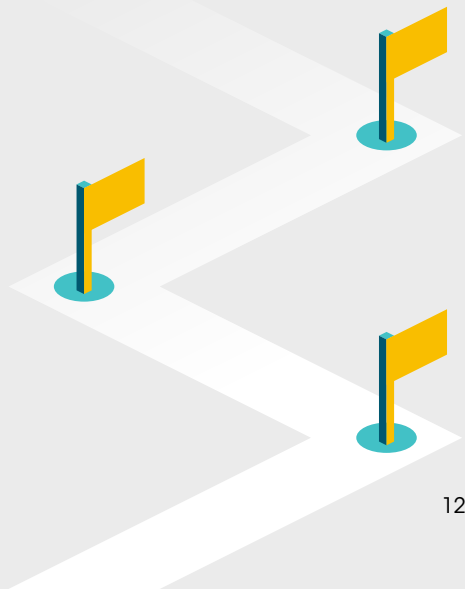
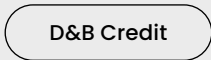
Thanks to the collaboration with Altares Dun & Bradstreet, SEW now has better control over their accounts receivable portfolio. Before the switch, they would write off significant amounts each year due to customer defaults and bankruptcies. Now this amount has been significantly reduced, resulting in significant

cost savings. With the real-time data from Altares Dun & Bradstreet, SEW can identify problems much faster and anticipate possible risks. They now have a better understanding of customers' creditworthiness and can adjust their limits and payment terms accordingly. This has led to a more efficient credit management process requiring fewer human resources, and a significant reduction in financial losses.

D&B Credit: The complete cash to credit platform for finance teams

D&B Credit provides credit and finance professionals with unparalleled data, analysis and insights to enable you to effortlessly evaluate new credit applicants, and screen and monitor your existing customer portfolio. With these tools, you can manage risks, grow sustainably and make decisions based on up-to-date data from the Dun & Bradstreet data cloud.

Check out all the advantages of D&B Credit



OUR VISION

Smart insights to shape your future

WE believe data
is only valuable
when it has a
purpose



WE guide you
through this ever-
expanding data
universe



YOU create a
company culture
where data is
empowered to be
a strategic growth
change-driver

Smart insights to shape your future

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