

Trade credit advisory

TRADE CREDIT ADVISORY, A NEW COFACE PRODUCT DEDICATED TO IMPROVING THE COMMERCIAL CREDIT MANAGEMENT PROCESSES

In recent years, private companies have played an important role, of "commercial banks" for their customers, by accepting extended payment terms, banking credit being increasingly replaced by supplier credit. In the conditions of these structural changes in the economy, the spreading effect of negative shocks is accelerated nowadays, as such the need for in-depth knowledge of business partners is becoming prevalent. Moreover, the increase of insolvencies among large and very large companies can amplify this systemic risk.

In this context, it becomes essential to interpret in a reliable but also accessible key the fundamental data of the entities (customers, competitors) that are part of the risk ecosystem of a company, in parallel with the analysis of developments, systemic (sectoral) risks as well as the main macro and microeconomic vectors.

As a provider of integrated commercial risk management services, Coface supports you with a new product, **Trade Credit Advisory**, which offers you a complete perspective on your business by addressing key issues related to:



- **Business Sector**
- **Competitors**
- **Risk profile (static and dynamic) of the client portfolio**
- **Analysis of credit controlling processes as well as financing policies**
- **Analysis of the fundamental data of your company**

Trade Credit Advisory - CHARACTERISTICS AND BENEFITS

WHAT	WHY	BENEFIT
UNIQUE ON THE MARKET	Trade Credit Advisory is the only product in Romania that offers a complete evaluation of the commercial credit risk management processes (prospecting, credit decision, monitoring and financing)	You understand the strengths / weaknesses of internal credit management
ANALYSIS OF EXTERNAL ECOSYSTEM	Trade Credit Advisory analyzes the financial evolution of the most important interest groups for the beneficiary (suppliers, competition, customers) in the macroeconomic context relevant for the subject company	You understand the evolution of the sectors of interest (suppliers, customers, competition)
ANALYSIS OF CLIENT PORTFOLIO	Trade Credit Advisory captures the evolution of risk in the client portfolio analysis through the migration matrix of companies in risk classes	You understand customer portfolio dispersion based on static and dynamic analysis (migration) in relation to credit risk
BENEFICIARY SWOT ANALYSIS	Trade Credit Advisory captures the strengths, opportunities and risks of the subject company in the analyzed competitive context	You understand the most important risks and opportunities of the company in the analyzed financial eco-
CREDIT RISK MONITORING PROCESS ANALYSIS	Trade receivables (static and dynamic) represent (without exception) some of the most important vectors in the balance sheet structure but also of the operational cash flow of a Company, largely determining its liquidity. The degree of health of trade receivables is largely determined by the architecture of internal credit risk monitoring processes.	Interview (round table) attended by one of the COFACE INSURANCE / SERVICES senior analysts. Optimization of internal credit risk monitoring processes. A complete view of the entire credit risk ecosystem, including the processes of generating new sales as well as financing trade receivables.
RECOMMENDATIONS	Trade Credit Advisory concludes the analysis of the financial ecosystem with an executive summary presentation that includes recommendations on improving trade credit management processes and reducing related risks	You benefit from recommendations to improve processes and reduce business credit management risk.

The product is structured on three distinct levels of information that help you gain a complete view of your business ecosystem culminating in a series of recommendations for improving business credit and reducing the associated risks.

Pricing Coface Trade Credit Advisory

Level 1

1.500 EUR +VAT*

Complete analysis of the environment in which a company operates (macroeconomic analysis, sector analysis and subject company analysis, which is integrated into the macroeconomic and sectorial context). The main elements included in this section are:

- Detailed study of the activity sectors connected with the subject company (suppliers, customers and own sector), as identified and nominated by the Customer
- Comparative analysis of relevant financial indicators (subject company versus main competitors)
- Comparative analysis of payment behavior in the sector (subject company versus main competitors)
- Financial diagnosis for the subject company (detailed and SWOT format)
- Financial diagnosis of competitors (detailed and SWOT format), as nominated by the Client
- Conclusions of the comparative analysis with emphasis on 4 elements (Profit and Loss Account, Balance Sheet, Liquidity and Cash Flow)

**The price includes the analysis of a number of 3 sectors*

Level 2

1.500 EUR +VAT**

Analysis in the dynamics of the relevant client portfolio of the subject company, as nominated by the Client

- Payment behavior analysis (PortalJust, CIP, ANAF)
- The customer risk migration matrix, both at the individual level of the analyzed company and at the level of the portfolio and risk cluster. The insolvency risk of the companies in the portfolio nominated by the Client will be calculated and estimated based on the Traffic Light model (InfoQuick platform) for the last 4 financial years available at the time of the Coface Trade Credit Advisory project deployment

*** The price includes the analysis of a number between 100 and 1,000 customers*

Level 3

2.000 EUR + VAT

- Analysis of internal credit controlling processes as well as financing policies
- Interview with the subject company team
- Evaluation of credit controlling processes
- **Recommendations** for improving commercial credit, which combines Levels 1, 2 and 3, delivered during a meeting between Coface experts and the management of the subject company. The meeting can be organized at the Client's headquarters or at Coface's headquarters, depending on the agreement of the parties

Trade Credit Advisory Offers

- 1 year contract: 5.000 EUR +VAT (includes Level 1, Level 2 and Level 3)
- 2 years contract: 7.500 EUR +VAT (50% discount for the second year contract)