Solving the 5 Roadblocks of Credit Management

With a Credit Application System

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Agenda

Introduction

5 Roadblocks of Manual Credit Applications

Risk Management Using Credit Applications

SRS Implementation Overview

Key Takeaways

Q & A

Bectran solutions provide:

Speed of Processing

Completeness & Accuracy

Minimized Risk

Lower Collections Costs

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Dominic Biegel

Director, Sales

Experience

Dominic has been with Bectran for the last 9 years. As Director, Sales he is responsible for the entire Bectran sales process and sales team. Dominic also works to establish Bectran's national presence through Credit organizations and handles direct sales for Enterprise level accounts.

Education

Dominic graduated from the University of Illinois Urbana-Champaign with a Bachelors in Economics.

Projects

Dominic has worked directly with of companies to onboard Bectran. He is also responsible for leading the growth of Bectran from its early stages to the industry leader in O2C software it is today.

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About Bectran

Bectran, the industry leading SaaS platform, has grown rapidly over the years to become the companion toolkit for the credit department just as CRM is for the sales department.

Bectran's clients, SMEs to Fortune 500 companies, enjoy the **ease, speed and cost-effectiveness** of adopting the Bectran platform.

Bectran by the numbers

- Cuts down the time to process and approve credit by over 90%
- Over 80% of collections management tasks fully automated
- New clients are on-boarded in a matter of days or weeks.
- Reduces the cost of collections by as much as 60-90%
- 100% automation of bank and trade reference checks without phone calls, faxes, or emails

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5 Roadblocks of Manual Credit Applications

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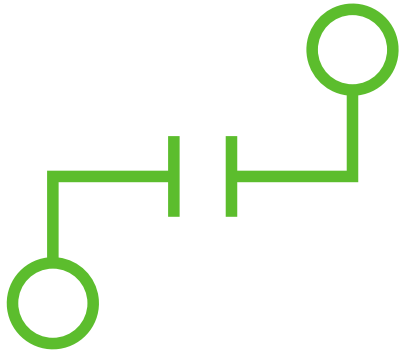
Roadblock #1: Organizational Structure

Roadblock

- Credit and collections siloed from organization *(Difficult to obtain a decision)*
- Credit decisions, not a priority *(Disconnect between credit & sales)*
- Sales opportunities are given preference regardless of risk *(Collections-focused vs. credit)*



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Roadblock #2: Response Time

Roadblock

- Manual nature of the process is too time-consuming *(Missing info, bad handwriting)*
- Volume of applications is overwhelming *(Manual tasks vs. analysis)*
- Correct decision is reached, customer places order elsewhere

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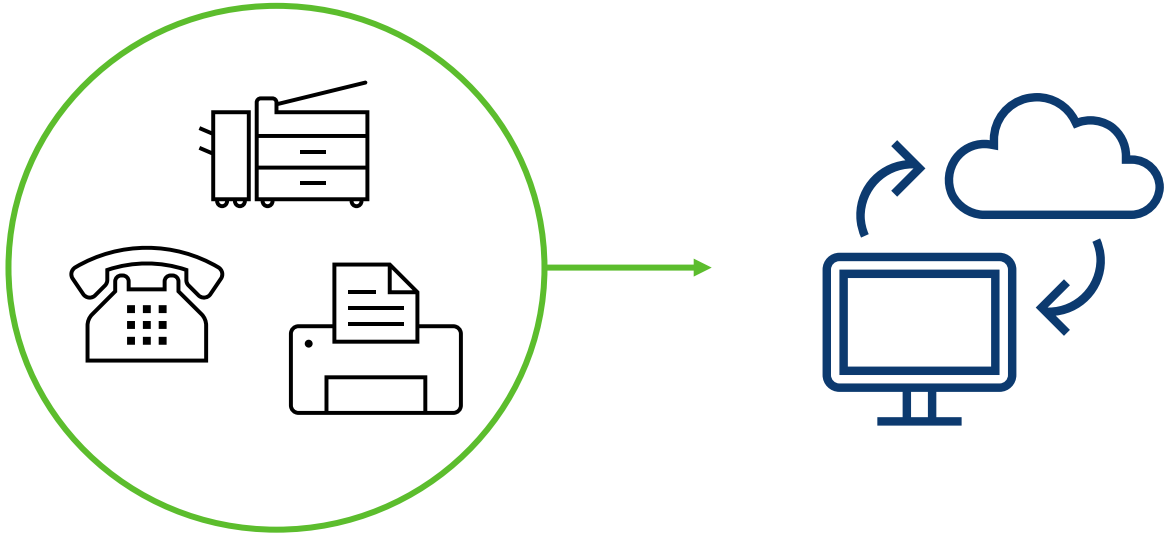
Roadblock #3: Workflow and Process

Roadblock

- Inefficient methods for gathering data *(Manual workload vs. analysis)*
- Phone calls, faxes, paper document gathering, scanning, filing
- Time consuming and prone to error, unsecure *(Misplaced documents, warehouse)*



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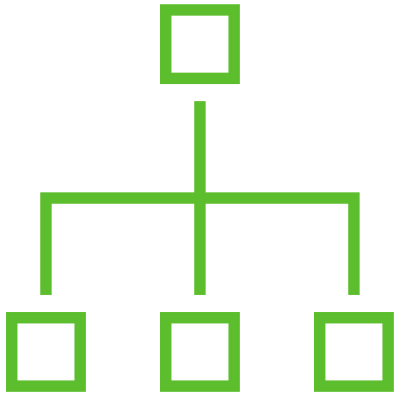
Roadblock #4: Decision Analytics

Roadblock

- High volume businesses: risky shortcuts
- Large dollar amount: manual ad-hoc, error prone analysis
- No succinct way to aggregate data sources, *(Ex: DNB, references, financials, etc.) (Passing data along)*
- Existing accounts left for “spare time”



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Roadblock #5: Technology

Roadblock

- Dated excel spreadsheets *(Errors / manual entry)*
- ERP or Legacy Systems with high IT support/cost
- Still many manual procedures *(Built by non-accounting personnel) (Data entry of paper)*

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Implementation

- Stand-alone: easy as 3-4 weeks
- ERP Integration: 8-12 weeks
- Mirror current credit application
- Master data project
- Customer and sales encouragement

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Immediate Results

- Faster decisions, improved customer and sales satisfaction/relationship
- Instantly approve and create accounts
- NO PAPER
- Improved visibility across company portfolio *(Know the number of apps)*
- Better comprehension of risk and opportunity *(Using credit as a sales tool)*

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Risk Management Using Credit Technology

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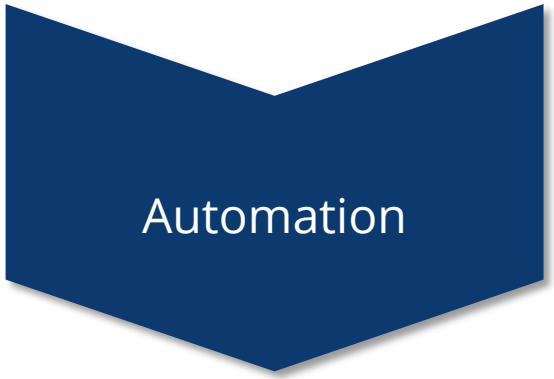
Benefits of Implementing a Credit Application Tool

- **Upfront collection** of critical prospect data
- **Corporate registration verification (SOS)** to ensure accurate legal entity and owner information
- **ACH data verification** to verify customer payment methods
- **Driver's license verification** for an addition layer of authenticity & security
- **Fraud Prevention & Alerting** for identifying suspect credit applications (EKATA)



- Value add by **reducing high volume, repetitive, manual** tasks
- **Avoid incorrect setup** of customer master data or direct payment methods
- **Streamline new customer setup** and customer **maintenance**

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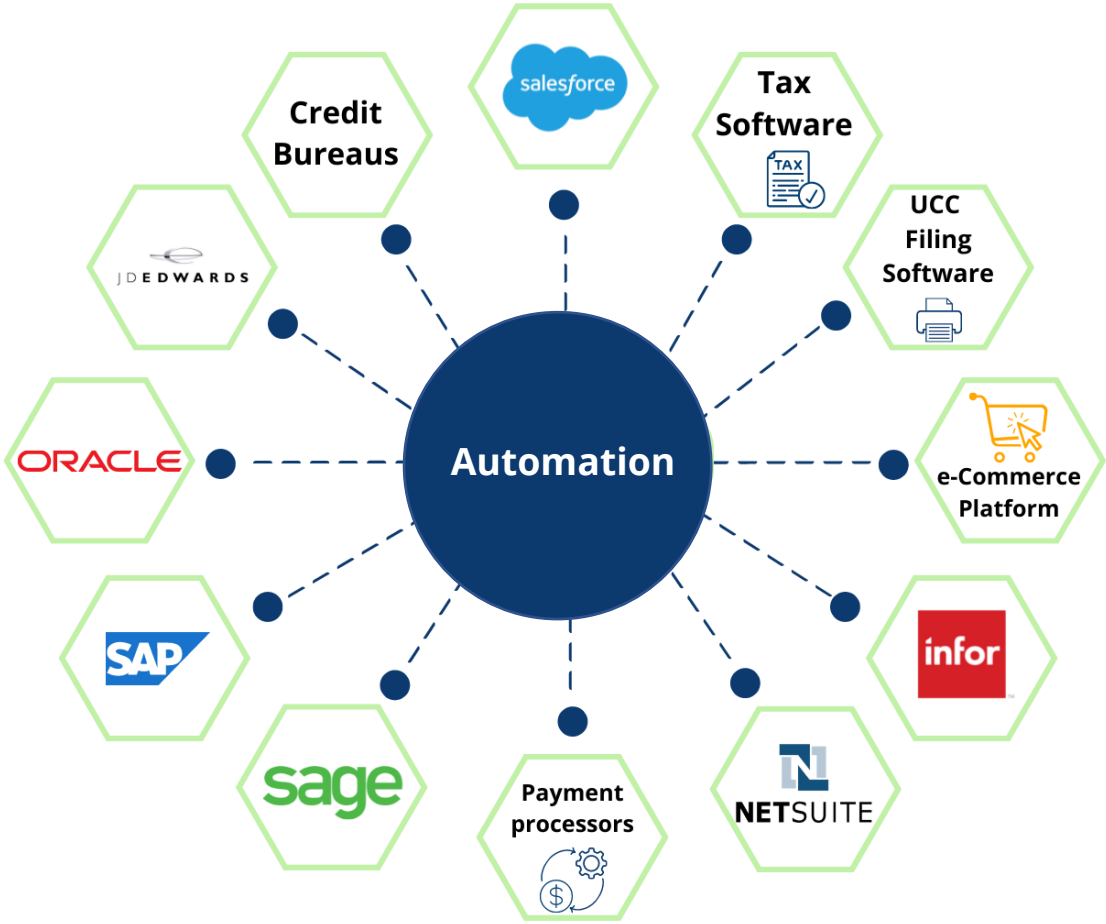
Enhanced Evaluation, Scoring Principles and Guidelines

Get data-driven insights instantaneously delivered from the companies you trust most.

- **Credit bureau integrations** provide real-time credit data, payment history and past due information to the credit department
- **Consistently review and evaluate** prospects' credit history
- Provide a **robust framework** to produce consistent recommendations



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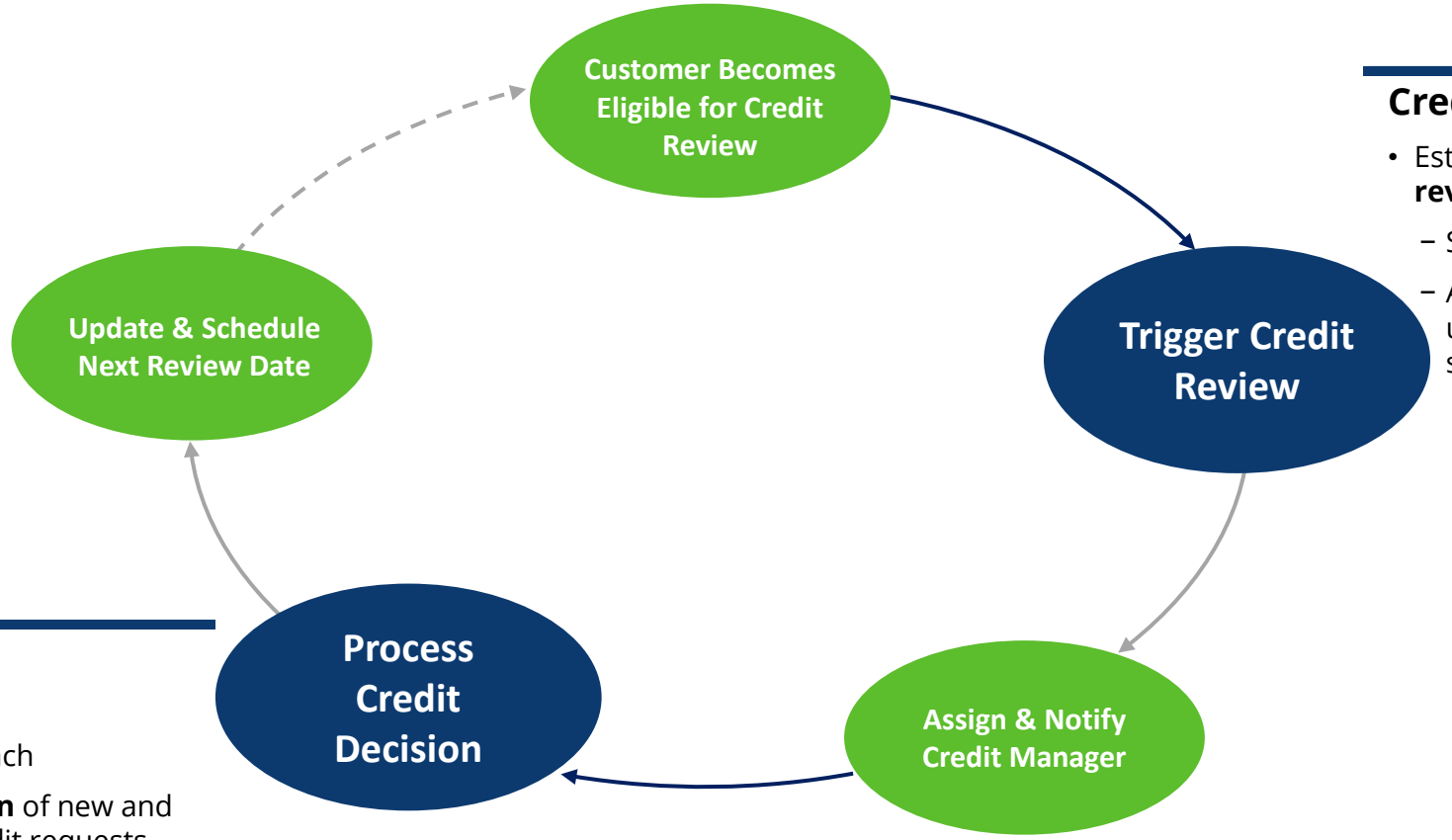
Automation Strategies to Improve Risk Management



Credit Review Automation

- Established criteria to **trigger a credit review** of an existing customer
  - Scheduled next review date
  - AR data based (credit limit utilization, past due balance, risk scores)

Instant Decision Management

- **Scoring based** approach
- **Consistent evaluation** of new and existing customer credit requests

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SRS Implementation Overview

3 companies

> 8K credit requests/ month

Low $, high volume

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About SRS

SRS Distribution is one of the nation's leading distributors of roofing materials and building products — focused on providing the best service for our customers, building a great culture for our team members and giving back in the communities we serve.

One of the nations fastest-growing private companies in the US, SRS often acquires independent distributor brands and shares its resources and national support to improve the lives of employees, customers and suppliers alike.

SRS believes in taking ownership and giving back, and in 2012 founded the non-profit organization SRS Raise the Roof Foundation, Inc.

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SRS Success Metrics – By The Numbers

1 day to process credit apps/jobs

Fully integrated system

Close to 50% automation

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Embracing an Automation Culture - SRS

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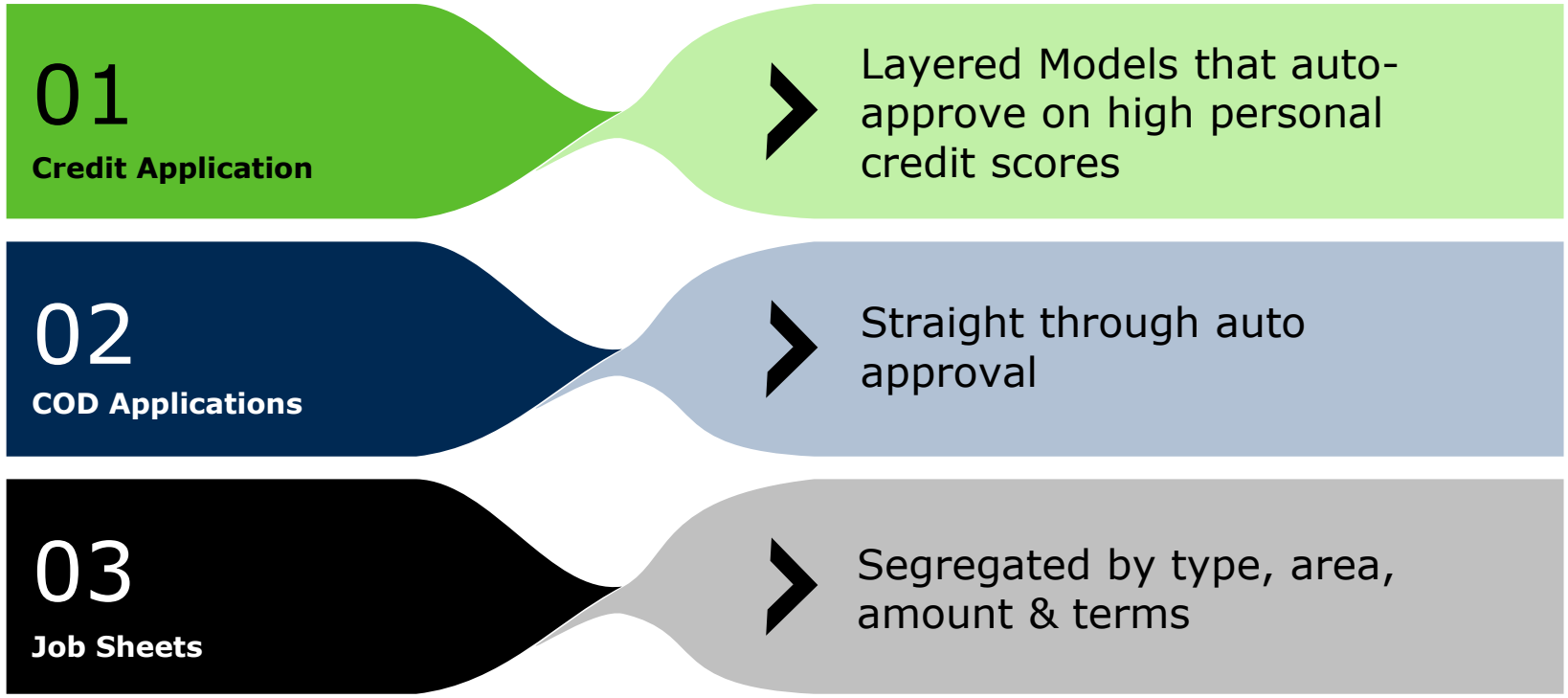
SRS – Automation Models



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SRS – Automation Success Metrics

57% credit approval rate

> $10M approved via automation monthly

Over 2000 FTE hours saved monthly

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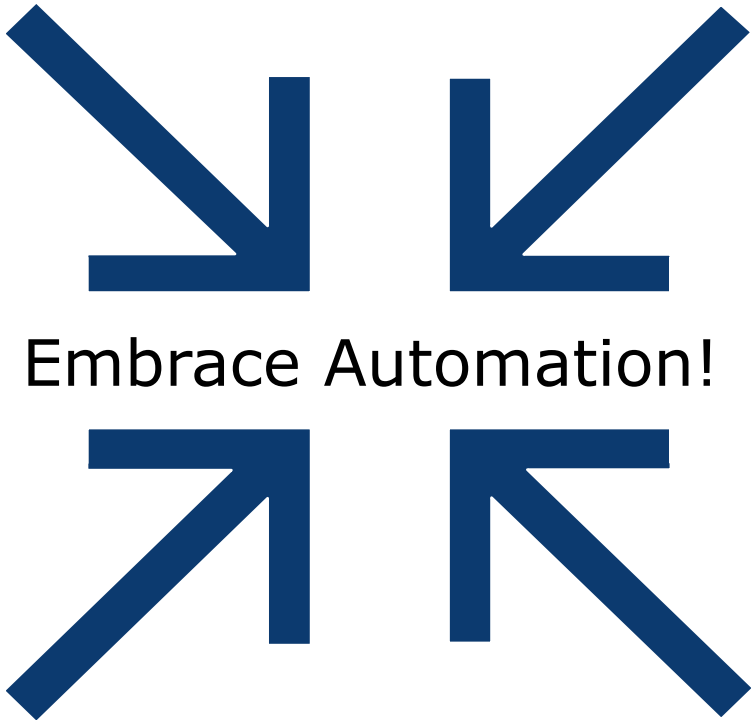
Key Takeaways

Consult with your teams

- Identify time consuming tasks

Always keep tweaking

- Respond to market & customer needs



Embrace Automation!

Prototype & Test

- Identify what works best

Train & Help Understand

- Ensure that everyone is on board with automation

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Q & A

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