Protecting your business

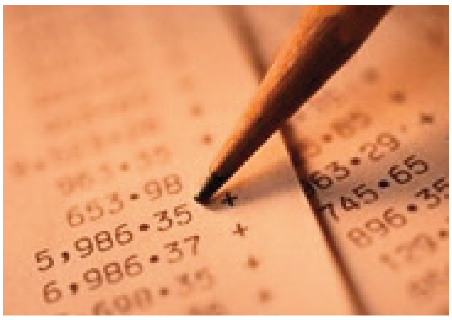
In the 18th century Benjamin Franklin reminded us that "credit is money". Yet in modern times, businesses often overlook the importance of what is usually a major business asset – the credit given, or money owed by customers.

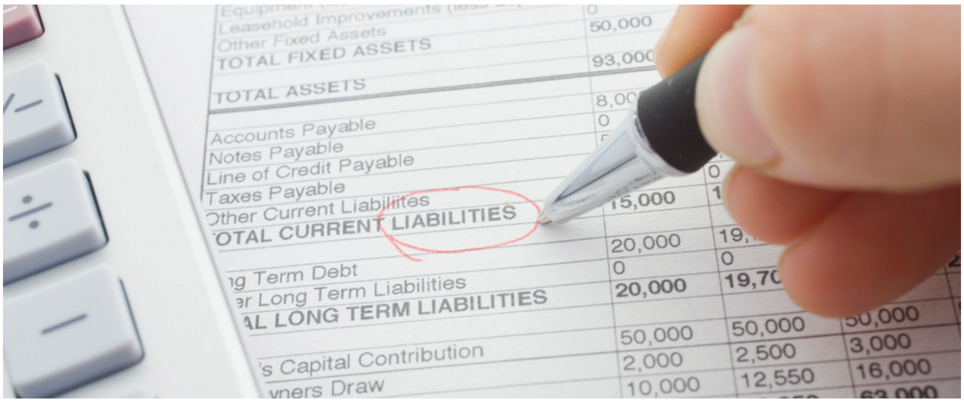
Trade credit insurance is designed to help protect that asset, but, used correctly, it can do so much more for a business. It can help you to:

- **Increase sales**
- **Reduce costs**
- **Beat your competitors**
- **Access working capital**
- **Build a corporate governance regime**
- **Protect cash flow and shareholder investment**

Of course it is unlikely that, depending on your business and its stage of maturity, cover will be able to do all of this or that all of it is relevant to you. But it can help. The key is finding the right partner, designing your programme correctly, and implementing it. At W Denis we have decades of experience across our teams of doing just that.

There is no substitute for discussion, and our preference is always to talk through your business and see what, if anything, we can do for you.





Increase sales

By providing information credit insurance can:

- **Support sales into new markets**
- **Support sales into new territories**
- **Focus sales effort – prevent wasted effort***

*(*Consider: A business has a margin of 5% and experiences a £50,000 bad debt. Just to cover the costs, the sales team will have to generate an additional £950,000 of sales.)*

Reduce costs

By taking out credit insurance cover you are securing a business asset. Many banks will either improve overdraft rates, or increase overdraft facilities when they know an asset is insured. In addition, the cover requires disciplines on credit management, and improvements in credit management can improve DSO (days sales outstanding) and also reduce costs*.

*(*Consider: A business turns over £50,000,000 funding working capital through an overdraft facility with interest of 4.5%, and with average DSO of 80 days, an improvement of just 4 days in DSO could save £36,000 in a year.)*

Beat your competitors

Worldwide in 2012 credit insurance secured over €1.92 trillion of trade. It is widely purchased in mainland Europe and increasingly worldwide, particularly the Far East. What do your overseas competitors know that you don't?

Access working capital

Securing your debtor asset can increase your overdraft, or independently support an invoice discounting or factoring facility. Independence is important, because it allows you access to a range of insurers rather than restricting you to a bank led offering.

Support corporate governance

The Cadbury Report laid down strict rules about risk management. One of the major risks facing any business is liquidity – simply having the cash in the right place at the right time. Credit insurance can help with this by securing cash from the debtor ledger.

Protect cash flow and shareholder investment

The risk of bad debt is often not so much that it is a body blow to the business, but that it places strains on the cash flow, which imperils your obligation to honour your debts as and when they fall due. They can also damage profits, which damage shareholder value. Credit insurance can help in all these areas, plugging cash flow gaps with paid claims thereby supporting profitability.

Contact us for a quote and more information today.

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