

# Protect your business in fast moving market taking under control changes affecting your partners



Be aware of changes affecting business partners, customers or supplier, it's always a good practice even if companies are well known with established relationship from years. A business can hide unexpected events but from the other current economic scenario is obliging to be updated regarding fluctuations.

In addition, having a clear snapshot on how overall customers and suppliers are moving is crucial to define new policies exploiting new opportunities or facing threats is necessary. In addition, having a clear snapshot on how overall customers and suppliers are moving is crucial to define new policies exploiting new opportunities or facing threats is necessary.

Keep under control companies is now a crucial requirement due to quick changes in worldwide economy but isn't something new. Economic crisis occurred in 2008 revealed a quite fragile environment in which companies' life was fast changed by huge financial turmoil. Concept like 'historical partners' or 'very well partners' and trust in their past stability started to have a different perspective. In order to avoid negative impacts, an ongoing check about companies changes became mandatory. Firms everywhere in the world considered as reliable from years and years were affected by crisis with related consequence on linked business partners.

Back to 2021, COVID-19 impacts real economy everywhere in the world and of course companies are part of this process. But apart from crisis generated by pandemic, it's a fact that businesses must now deal in a context very fast moving in which every change must be taken into account. It's a sort lesson learned that every company must deal with an unstable scenario.



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It isn't only a matter to avoid unexpected negative impacts but also to take opportunities as soon available and, in any case, new actions can be required, to protect or to expand business. Changes affecting a company can be related to change in management and shareholding showing a new scenario in term of governance, or to a new balance availability giving a new financial view, then find out that negative events are identified impose to better assess reliability. Then, considering all elements, a new assessment in term of rating, scoring and credit appraisal it's important to evaluate company itself. Simplifying the concept, it's a matter to have update information to be able to evaluate a subject taking into account if something is changing.

If fact, if a recurrent customer is showing a worsening in financial stability, it may requires a credit policies revision or, on the opposite side, an extension of the appraisal. In both cases, it's clear that an revision of in relationship is required, in the first case to avoid critical impact, in the second case to better exploit the opportunity. Or, if changes in management are too frequent or with too often redefinition of shareholding structure, there is a question mark in governance to take under control. Of course, if negative events are reported, it's clear the critical alert that maybe requires a revision of the relationship. If a change impacts rating, then is a matter to understand if the risk level is improving or worsening and decide how to proceed.

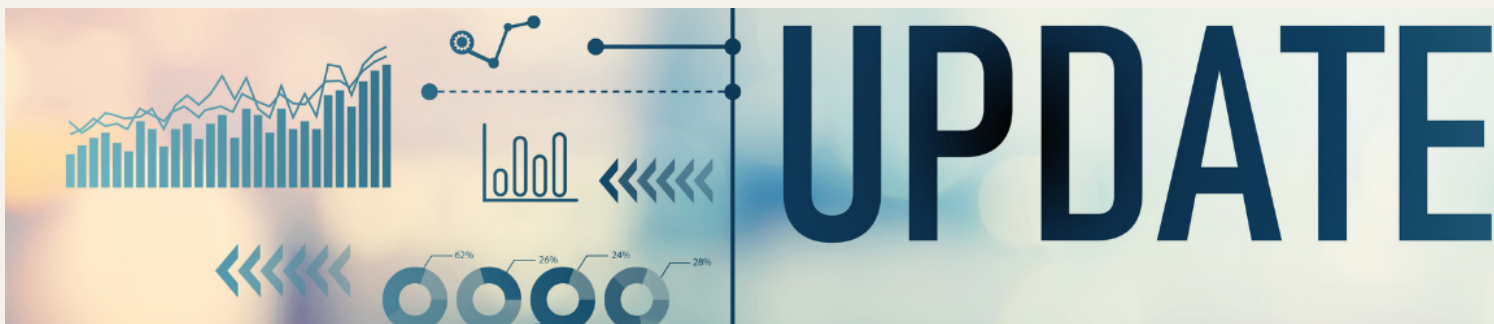
For example, know that a customer change negatively risk profile allows to strictly monitor if payments are regular, and if the subject is a supplier, maybe can be useful to start looking for additional partners to avoid any interruption in supply chain. If changes related to a customer have a positive impact, may it's possible to expand credit line or put in place some cross selling actions. If also improved situation is related to a supplier, it's possible decide to buy more with a more closer relationship.



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Being updated about changes is more crucial if business partners are located in different worldwide countries. In this case, there is an additional challenge of data availability and updating is different from country to country. In some countries, to simplify in Western and Central Europe, data are proactively registered and updated into local public central bodies, so access to them is relatively easy with some differences in each country. In any case local legislations and rules are leading data availability, for example for balance sheet registration into public sources. If in Italy and France, for example, corporate companies have to file balance sheet, in Switzerland only listed ones must proceed in this way. In addition to updating and data availability, also data management organization is playing an important role. In a country with a central body managing all company information, barriers to data are very low. On the opposite, if there isn't such local structure but data are managed at local level without any link, access to data is really hard to manage. Level of digitalization represents also a crucial point as the highest is, the lowest are the difficulties in dealing with information. For example, in some African countries the combined situation of lack of central bodies and a low digitalization level generates difficulties in accessing to data first and trust in updating level.



To summarize, most important barriers related to data availability are linked to legislation: it means that particular countries are not requiring to companies to disclose information about company itself. Second area is represented by nations in which process related to data collection, processing and updating are presenting some issues at different level. In such complex scenario, in which every country can present a different approach about company data, it's necessary to sort out lack of data availability in order to give market the right tools to evaluate business partners. Particular process and flow can be adopted in order to be in the position to perform an assessment process able to be adapted if changes occur.



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**Full Monitoring:** detailed notification generated when any change affects a company with the possibility to receive the updated report

**Alert:** short notification generated when any change affects a company.

Full Monitoring and Alert, are more suitable in countries where data availability is very high and public sources are proactively updated and centralized.

**Planned Revision:** worldwide available, allows to schedule in advance when receive an updated Report. This solution, is suggested for countries where access to data is presenting some issues in term of digitalization or data flow organization.

**Dashboard:** a snapshot of the overall business partners. It's possible to create cluster with the aim to have a picture related to a specific segment. For example, it's possible to split into category, for example supplier and customers into two different clusters or other custom groups.



SkyMinder solutions are replying, at worldwide level, to specific needs coming from market requiring updated information on ongoing basis related to each business partner plus the possibility to have an aggregate view of companies constantly updated.