

# Business Partner Evaluation processes to minimize risk



Evaluating a business partner is a process involving more aspects in a complex and global environment exposed to different kind of risks, some of them unexpected and quite new.

Business partner can be customers, suppliers or distributors establishing different relationship inside companies.

In such a scenario, discuss about business information isn't simply as in the past when data involved were basically related to creditworthiness. It means evaluate a partner considering a wider number of significant documents with information providers able to collect and elaborate data coming from different sources.

Business Information providers have to become more and more a 'hub' able to evaluate risks under different perspective, giving to market ability to take decisions based on a wider awareness and knowledge.

Otherwise, issues related to unexpected risks not carefully taken into account could generated serious economic damages.

Business partner role is the first point to tackle, having in mind that 'business partner' is a very generic definition including customers, potential customers, suppliers, potential suppliers, distributors, potential distributors. Each of the listed category can have common points with the other but never forget specificities and related business impacts.



Analyze a business partner is important for economic results, but if subject is a customer (or potential customer), impact is related to generate healthy sales; if subject is a supplier (or potential suppliers), impact is linked to its ability and reliability to produce goods and services.

Have 'safe and healthy' relationship with a business partner is in any case the key point for success.

Know in advance if a customer (or a potential customer) will pay (and continue to pay), has a good creditworthiness and overall evaluation, is not involved as companies, principals and shareholders in financial crimes, have a clear company structure and low risk of being exposed to cyber attacks, is a very good starting point to establish successful development relationships.

Know in advance if a supplier (or a potential supplier) has a clear company structure, low risk of being exposed to cyber attack, has a good creditworthiness, is not involved, as companies, principals and shareholders in financial crimes, means positive perspectives in having the guarantee to receive regularly goods and services as agreed and avoid disruption in manufacturing processes.

Current relationship with the subject is also an important point to take into account, brand new business partner or existing connections in place. Never forget that risk evaluation for an existing business partner hasn't to be less accurate if the subject is not already known. Have an overall good knowledge of the risk is a good practice, despite the level of relationship: this is why economic conditions can change very quickly and the level of complexity of the analysis required is definitely increasing in a global trade market.

If considering the subject to analyze is the starting point, quality of information to use is a very crucial point. In theory, data available are many. Big data discussion is one of the 'hot topic' in current scenario but the real challenge is identify the information useful for the evaluation process. Many data are not equal to valuable information. Data quality is a process required to manage many aspects, from legislation availability, data sources and independence of the information itself. Usually companies start to evaluate business partners using past experience, market references or rumors: but in current and complex worldwide scenario isn't enough. Too many hidden risk can affect negatively an assessment with connected wrong decisions.



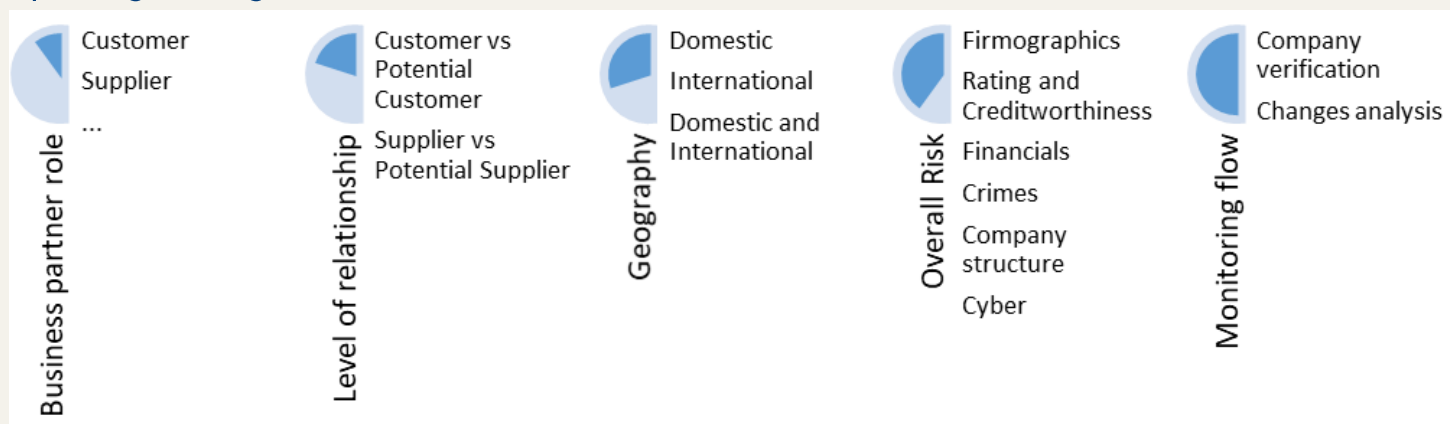
Risk must be considered from different perspectives, like creditworthiness, financial crimes involvement, compliance to legislation, company structure and shareholding and cyber risk. Following this approach is possible to achieve company's target in term of financial results, market share, competitive advantage level and stability of production and reputation.

Starting evaluate a customer, with this global approach, is possible to preserve sales and minimizing risk in missing payments.

From the purchasing side, evaluation is able to understand level of stability and capacity of the provider itself to produce goods without any interruption in supply chain flow.

From both customer and supplier evaluation, the possibility to understand if changes are affecting a business partner is a very important asset in maintaining and developing relationship. Company are more and more subject to changes: also firms in theory well known can present hidden risk if not accurately monitored.

Verify a business partner on different risk aspects and over time is more and more crucial if business isn't only domestic but also international, where relationship between companies are cross countries and identify strategic information could present issues in term of availability, updating and legislation.

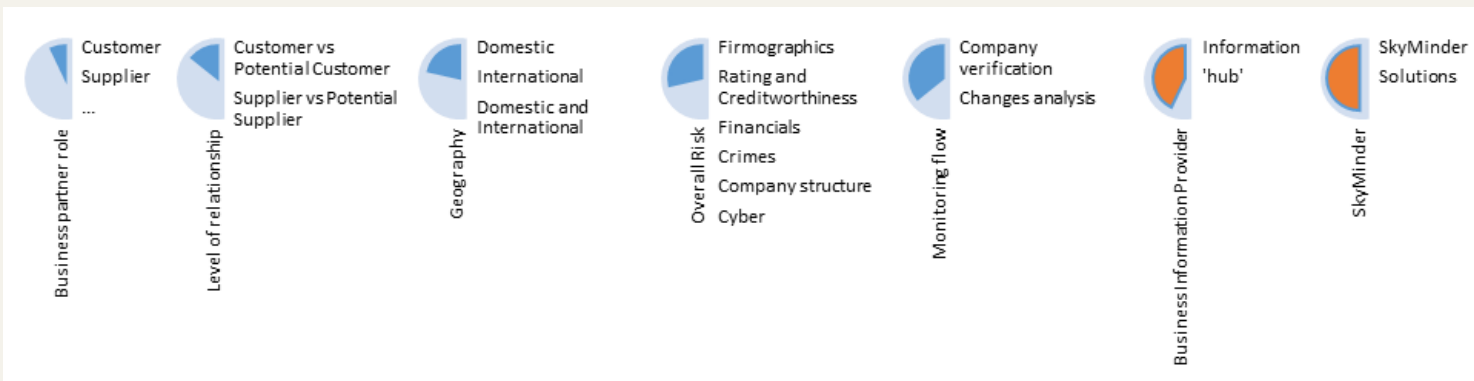


SkyMinder, the CRIF platform for International Business Information, is acting as a hub where B2B trade risks are evaluated for the all companies across global markets.

All countries and jurisdictions are available, regardless data friction level, complexity in obtain information, political and economic conditions.

This is possible thanks to an ecosystem created by SkyMinder in which all countries members of CRIF group are integrated with the best local B2B information providers worldwide. It means to have a direct link with the territory, have a clear and in depth knowledge of the issues related to data potentially to face.

Highest quality standard is guaranteed, combining to official sources, negative data or company structure also value added information like and credit limit. Then, information very important for compliance perspective, like Company Structure and Shareholders, check related to Financial Crimes are available combined also on Cyber attack risk analysis.



In a very complex world, risk affecting a company must be analyzed from different perspectives and it's necessary to identify right information providers with a global approach. Using SkyMinder is possible to obtain information on companies all over the world and be able to take the best business decisions driven to company growth.

By SkyMinder Marketing Team, June 3rd 2019