

AUTOMATION POTENTIAL IN: CREDIT CHECKS



Credit checking your new clients or suppliers is already an essential task to ensure your business is protected, but in these times of uncertainty, it is especially important to monitor the creditworthiness of your customers.

You only have to think about how big names such as Carillion, Gaucho, Toys R Us and Maplin who all entered administration in recent years, to see that a big name is not a guarantee of payment. The credit score of a business is based on many factors, including their sector, financial information, management, economic outlook, distress events and many other issues. No credit score can incorporate every factor, but you need to make sure you cover certain key points.

Businesses in obvious financial distress are pretty easy to spot – a history of company CCJs, poor financial records, and a large amount of increasing debt, these are all signs that a business may be a risk. What is harder to spot is when a business is teetering between stable and unstable or when a business looks stable, but a closer look uncovers problems.

There are several different software/online solutions which can all be used in which to gather this credit information but these solutions all sit outside of a conventional ERP or CRM. Credit checking as a task is most often carried out as the last stage before an order can be carried out and by the finance team who may not have been involved in the customer journey up to this stage. This can cause a number of issues. The fact that the credit check is being actioned by another team may mean it is delayed, perhaps even to the point where an urgent order cannot be carried out or the customer simply goes with another supplier. Where poor credit is flagged it can cause internal disputes between sales and finance as to whether to proceed with an order, and bespoke terms and conditions may be required.

Automation is a great tool at gathering data quickly, and can work with the software you already have. At the point where a customer is onboarded a bot could populate the CRM tool and log into the credit checking software, extract the data and within minutes a complete profile can be completed. Having this information quickly to hand during the prospecting stage can ensure that sales don't waste time pursuing customers with poor credit, and also could be used to monitor credit scores on existing clients to see if there are changes and flag for potential risk. Automating this small task gives you access to instant and up-to-date information, eliminates any human error and empowers your team to make faster, more informed decisions.