

Predictive Analytics Facilitate Business Opportunities for Credit Risk Managers

It is essential for organizations who issue credit to have an accurate evaluation of financial health to help win business and avoid costly losses. As sales managers are working to compete for business, credit teams need an accurate model in order to extend the most favorable terms without taking on undue risk. Additionally, false positive high risk scores could cause your organization to miss out on business opportunities. Accuracy in evaluating financial health will help you to improve sales and win more business, especially with complex products and pricing or long sales cycles.

Credit teams also are increasingly pressured to make decisions faster and with fewer resources. RapidRatings' Financial Health System (FHS™) brings accuracy and efficiency to credit teams' fingertips, helping you take advantage of business opportunities as they arise.

Promote Commercial Activity with the Financial Health System

Understanding short-term probability of default and long-term health is an integral process in determining the amount of credit and terms for your counterparties. Our FHS combines the simple, digestible, 0-100 score of our Financial Health Rating (FHR®) with a suite of detailed and actionable reports, analytics and alerts. Together, these tools integrate into your existing workflows and models to give you actionable data and to help you make better, proactive decisions.

Extend credit quickly and more accurately

The forward looking capabilities of the FHR to predict financial stability provides your organization with the ability to extend credit more accurately.

- Utilize the FHR as an input into existing models or a secondary source to validate or challenge results
- Make better decisions about amount and terms of credit to extend
- Win more business without taking on additional risk

Increase efficiency and save time evaluating credit risks

The process of extending credit requires a lot of resources to evaluate risk levels, decide how much credit to extend, and monitor financial condition of existing relationships, all while maximizing business opportunities.

- Enable analysts to focus their most precious resource – time – on making the best qualitative judgement calls
- Evaluate large portfolios of counterparties at a glance using the same methodology
- Use Financial Dialogue to prioritize top financial issues to pose to a counterparty, saving time and resources

Reports & Analytics Include:

- Company-Specific Reports
- Peer Benchmark Analysis
- Company Comparison Reports
- Portfolio Risk Reports
- Excel Matrices
- Country & Sector Reports
- FHR Changes & News Alerts

RapidRatings: We See What Others Don't.

Minimize false positives of high-risk counterparties

Classifying a counterparty as high risk increases the amount of due diligence in extending credit and can reduce the amount of credit extended. A false positive can kill a deal or be less competitive, reducing potential profits to the organization. Going into 2016, RapidRatings classified 18% of companies as high risk, which captured 88% of subsequent defaulters for the year. At the same time, 94% of companies who defaulted in 2016 were in our high risk category.

- Reduce mistakes in extending credit
- Allows you to increase business with worthy companies

Standardize risk evaluation with a consistent methodology

We are the only company that uses a single methodology to rate public and private companies across the globe against their relevant and appropriate cohorts. Our FHS eliminates the noise of market sentiment or payment history and uses only financial statements to provide an objective view of financial health.

Unlike other companies in the market, we are not paid by companies to generate their ratings, and we don't sell services to companies to upgrade their ratings. As a result, not only are we the only unbiased financial health system in the industry, but our system has been proven to be far more accurate than traditional ratings, default models, internally-built tools, and payment /trade data-based scoring systems.

Act with confidence with predictive analytics

Analytics and data are only as good as the ability to operationalize results. Our analytics provide forward-looking insight into a counterparty's financial viability over the next 12 – 18 months. The forward-looking & accurate analysis and reporting provides actionable steps to mitigate risks, resulting in an early warning system to take action. Comprehensive reports containing objective analysis and detailed descriptions allow you to:

- Understand a company's potential financial and operating strengths as well as weaknesses
- Benchmark counterparties' risk against their peers or sector
- Study trends across your entire portfolio and easily report portfolio risk summary up to management through fully customizable reporting
- Input your proprietary qualitative research into our reports

