

Together, the main and associated files represent one risk, and so there is only one aggregated risk report (in the main file). *"At a glance, I can see the existing situation, what the customer still has available and what his limit is. It's great"*, says Jeannette Werchau happily. Furthermore, double costs for external information used to arise frequently, but this is no longer an issue because associated files do not receive any external information: it only goes into the main file.

CAM provides an even better overview of the customer base through the module CAMeRA. A wide range of selections can be made at the click of a mouse. Its use can therefore vary greatly, including within the companies in the Igepa group. While some choose to view all new customers in a given time period, others use it to have an overview of all active customers or of the risk situation of their entire customer portfolio. Evaluations using CAMeRA can also be very useful in communications with the Sales Department.

For Nadja Kroner, the support provided by CAM is huge. *"I can easily create lists based on the codes for each of the sales representatives, which can then be consolidated and used to discuss problematic cases. Or maybe the sales representative calls from his car and says he's on his way to a Mr Meier and could we please take a look at the system."* Cooperation with commercial credit insurers has also been positively affected by the introduction of CAM. Thomas Bach explains: *"Now that we take more responsibility for customer checks due to CAM, it is possible to negotiate higher, or more differentiated, discretionary credit limits with our credit insurance company. This is another area where CAM leads to huge savings."*

Success Story

Igepa group GmbH & Co. KG



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Not just on paper – Risk control at Igepa with CAM software

Companies in the Igepa Group use the CAM (Credit Application Manager) credit management software. Today their customers are comprehensively monitored, reducing the number of credit defaults. CAM has firmly established itself as a system that concisely summarizes information and is increasingly being used in new areas within companies, such as sales support.

Reinhard Kraska wanted a centralized system that could provide automated creditworthiness checks and monitoring of customers. The head of Finance and Accounting at vph GmbH & Co. KG was tired of seeing that profits were not growing at the same rate as sales. The cause: an increasing number of defaults, insolvent customers and rising processing costs per debtor.

Thomas Bach, Commercial Manager at 2H GmbH & Co. KG, was looking for an IT-supported early warning system for changes in the payment behaviour of 2H's customers. *"Whilst our credit management staff have a high level of knowledge of the individual customers, it is impossible to simultaneously monitor all 5,000 of them. Of course, the individual know-how of our staff cannot be completely transferred to the system, but the centralization of data means a decentralized availability of information and greater independence from individual employees. This enables our staff to work together across different locations"*, explains Bach.

Since the introduction of the CAM credit management software, the economic situation of Igepa's customers can be continuously monitored. Four companies in the group are already successfully using CAM. With its flexibility, CAM provides optimal support for the specific guidelines and methods of the individual companies.

Individuality as standard

The companies of the Igepa Group are legally separate entities and often have their own guidelines regarding credit management. *"That's not a problem for a system like CAM"*, says Stefan Schubert, Project Manager at Prof. Schumann GmbH. *"With simple changes to the settings of CAM's expert systems, which define the underlying rule framework, the different credit policies can be implemented in the system without any problems."* The Igepa group uses a multi-customer-base version of CAM.

All the companies use the same pre-system. Master data, payment records and additional information are imported into CAM from the credit management system. With the aid of interfaces to Creditreform, Deutsche Bank and the payment record pool DunTrade, customers are evaluated quickly and objectively. There are 67,000 files in total at the Igepa group, of which around 23,000 are for active customers. *"Overseeing so many risks without a system like CAM would be impossible"*, explains Kraska.

Timely warning signals

At all the companies, the CAM ToDo list has established itself as the central working instrument. Every morning, resubmissions and notes on critical changes, e.g. the exceeding of a limit, are processed. What happens next is decided by each company individually. For example, Jeannette Werchau, Accountant at vph GmbH & Co. KG, sends information about exceeded limits to the Head of Finance, Reinhard Kraska. The development of the payment behaviour, the insurance status and upcoming contracts are then examined in CAM. Kraska contacts the company in person and then decides on a course of action. This does not contradict the principle of an automated solution like CAM. Personal contact will always be an important element. CAM allows for this and supports it with up-to-date, targeted information at the touch of a button.

Vera Bach, Credit Manager at 2H, has also frequently been informed by CAM that something is not right with a customer. *"In the past we often had the case that a customer would discretely build up a large credit because he was on the verge of insolvency and wanted to secure his inventory. Today CAM immediately informs me when a limit is exceeded and I can then see from the payment record pool whether I am the main supplier. This allows us to act quickly, for instance by blocking the customer's account or taking other measures."*

The experience that CAM enables timely action where previously it would have come too late is widely shared, also by Nadja Kroner, Credit Manager at Igepa Großhandel GmbH. *"At the beginning, we once ignored a CAM warning and continued to supply the customer. One week later he was insolvent. Bad decision! It won't happen again. Today we rely completely on CAM."*

Machinery financing

At Igepa Großhandel GmbH, the trading goods sector is not the only one in which the company relies on CAM's evaluations. Igepa also sells and rents large printers. Since this area is of course also vulnerable to default risk, Nadja Kroner first examines the customer's development using CAM. *"CAM is very helpful in reaching conclusions about the economic situation of the customer and in answering the question as to whether financing makes sense. Information on the development of the payment record and of the exposure is very useful for the evaluation."*

Customer overview

The companies in the Igepa Group generally have separate customer portfolios. And within each company, the customers are frequently divided into categories, for instance different product categories with different payment conditions (e.g. whether they buy machinery or paper). Alternatively, one customer may have several accounts because the general accounting system does not provide the possibility to enter more than one delivery

address. Without system support, evaluating the payment records of a customer with several accounts is no easy task. CAM makes it possible to have an overview for each customer. The software places the payment records for the main account into a main file and the payment records for all related accounts into associated files that are connected with the main file.

The corresponding payment records are consolidated and evaluated together. This is a tremendous advantage for day-to-day work. The employees can really keep their eye on customers without having to click through various sub accounts.

The Igepa Group...

is one of the leading paper wholesale groups in Europe. With around 2,700 employees, the group, together with its strategic partners, had a turnover of 1.7 billion euros across Europe in 2011 and sold 1.65 million tonnes of paper.

The companies within the Igepa group enjoy a unified marketing strategy while maintaining their independence. The aim of the group is to develop common structures for procurement and the product range in order to improve the position in relation to suppliers and so optimize service to customers. www.igepa.de

The following companies in Germany are part of the group:

- ◆ 2H GmbH & Co. KG
- ◆ E. Michaelis & Co. (GmbH & Co.) KG
- ◆ Freytag & Petersen GmbH & Co. KG
- ◆ Geiger GmbH & Co. KG
- ◆ HANSA GmbH & Co. KG
- ◆ Igepa Großhandel GmbH
- ◆ vph GmbH & Co. KG