



## Global Limits Manager





# A revolution in trade credit risk management

Global Limits Manager is a trade credit limit management facility designed to set and maintain customer credit limits using live sales ledger data. This is supplemented where necessary with status agency information.

Developed in the UK in 2007, AIG Global Limits Manager represents a complete revolution in trade credit risk management and helps trade credit professionals more accurately assess ongoing customer credit risk.

Global Limits Manager is designed to be used by insured companies in conjunction with an AIG trade credit insurance policy providing credit limit certainty, reduced administration and reduced credit limit cost.

Global Limits Manager lets you assess the risk of trading with your customers more accurately...



## How does Global Limits Manager work?

- 1** Global Limits Manager works by taking a regular feed of all customer details, open & closed invoices and payments & credits from a sales ledger system. It then uses this data to score customer trading relationships and to establish trading experience based credit limits.
- 2** Where trading experience alone cannot justify the required customer credit limit, this can be supplemented with weekly updated status agency data from Experian or D&B or can be manually overridden with internal credit decisions.
- 3** Trading experience directly influences the value of customer credit limits, so expect higher credit limits on strong customers who pay promptly and lower credit limits on more delinquent customers.
- 4** Providing a regular feed of data from a sales ledger system is easy and can either be achieved automatically through installation of a secure data extractor or manually by self-extracting the data in a specified format and sending it to us. Either way, the first data download provides a 12 month trading history enabling validation of all ledger customer records against a third party status agency database. It also establishes accurate trading experience scores and credit limits from day one of Global Limits Manager use.
- 5** Whether reporting externally to AIG, or internally for credit management purposes, Global Limits Manager helps automate the identification of overdue accounts. It will regularly prompt for updates to credit control actions on delinquent customers and will record all credit control actions for compliance purposes. Electronic overdue reports can be delivered automatically to chosen recipients.

## The benefits are compelling

### Profitability

Global Limits Manager can significantly improve bottom-line profitability for many companies by:

- Reducing the cost of credit limit management by setting a greater proportion of customer credit limits on trading experience only.
- Reducing the cost of credit delinquency by identifying those accounts that consistently pay late, and thereby allowing more targeted collections action or account contract renegotiation.
- Reducing the cost of bad debts by identifying riskier accounts, identifying over-trading accounts and by using customer risk intelligence to manage deteriorating trading relationships.
- Enabling a more focussed sales approach by revealing the less risky accounts with available credit lines.

### Vigilance

Week in, week out, Global Limits Manager monitors your customer portfolio and helps quickly identify those customers whose trading circumstances might be changing or those customers who are showing increasing signs of delinquency.

Using its impressive ability to consistently process large amounts of customer related data, Global Limits Manager's built-in system of alerts and automated reporting might just provide that vital piece of customer risk intelligence that helps you successfully manage your way out of a deteriorating trading relationship before it's too late.

### Intelligence

Who are my riskiest customers? Who are my most delinquent customers? How much does it cost me to trade on credit terms? Where am I over-trading? Which credit limits are deteriorating? Global Limits Manager will tell you.

The systematic inclusion of customer trading experiences in credit limit management means credit decisions are based on the most up-to-date information available, including easily overlooked key warning signs buried deep in ledger data.

Global Limits Manager's ability to process customer ledger data from multiple sources enables a consolidated view of aggregated customer risk across different subsidiaries, product lines or ledger systems.





# Global Limits Manager is tailored to reflect your AIG trade credit insurance policy....

Many companies use trade credit insurance to protect themselves against bad debts. However, the administration of a trade credit insurance policy can be burdensome, the management of discretionary limits can often be costly, and the effectiveness of credit insurance cover can be compromised by a lack of certainty.

Global Limits Manager is a simple yet highly effective credit limit management platform which provides policy holders with the combined benefits of credit limit certainty, simplified administration and the likelihood of reduced credit limit cost.

Through a single, centralised mechanism, policy holders can now manage and monitor all of their customer credit limits as well as fulfilling their overdue and adverse information reporting requirements. AIG trade credit policy wordings reinforce this by providing certainty for all credit limits issued by Global Limits Manager in the same way that they do for credit limits approved and agreed by an AIG underwriter.

The benefits of combining Global Limits Manager with an AIG trade credit insurance policy are substantial:

- Credit limit certainty both above and below a discretionary limit.
- Credit limit management for all customers, large or small, worldwide.
- Simplified overdue and adverse information reporting.
- Likely reduction in credit limit management costs
- Likely offer of more favourable trade credit policy structures.

Global Limits Manager removes much of the present uncertainty surrounding the operation of a trade credit insurance policy, the management of customer credit limits and compliance with policy reporting requirements.

[www.aig.co.uk](http://www.aig.co.uk)

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