

CUSTOMER STORY

Neopost: Reduced Days Billed Outstanding (DBO) by 5 days

with Credit Scoring and Portfolio Analysis by Industry, Geography and Performance



Neopost is a market-leading global provider of mailing solutions, digital communications and shipping services. Founded in 1924, its fast-growing business serves more than 800,000 customers in 31 countries with logistics, customer information management and document output solutions for enterprises and mailing centers.

“We’ve been around for almost 100 years, and for most of that time we have been known as a company that does mailing machines, but if you think about it, we’ve always been in the communication business,” says Steve Rakoczy, Neopost’s North America CIO. “We’re creating the tools for small and medium-sized companies to communicate with their customers the way they want to be communicated with.”



THE CHALLENGE

As Neopost has evolved into that more comprehensive services provider, its risk management practices needed to evolve alongside its customer offerings. But that wasn’t happening. “We have a very large captive portfolio, and that’s where we carry the risk of the company,” says John Tartaro, Neopost USA’s Deputy CFO. “We didn’t have the fundamental tools to manage the portfolio, and our delinquency reflected that.”

“It was really at a whim, just tracking the customers and how they pay with no real foundation for the decisions that we were making. As a result, our DBO was a lot higher.”

Loutissa Perry, Director, Accounts Receivable



THE SOLUTION

Our relationship with D&B began on the leasing side of our business where we were leveraging credit scores to make decisions. The company needed a universal answer for making credit decisions at the beginning of a deal as well as best-practice monitoring to make sure they were maximizing results.

Credit scoring from D&B lets Neopost determine the right payment terms for clients – vastly improving the reliability of the decisions the company makes. “Every month now, we get excellent reporting so we can understand our portfolio concentrations by industry, by geography, how our customers are performing,” Tartaro says. “We make decisions about extending further credit to our customers based on this information.”



HOW IT WORKS

Neopost uses Dun & Bradstreet's DNBi with the complete range of modules: Decision Maker, Account Manager and Portfolio Risk Manager for managing credit.

1. **Decision Maker** is our upfront decisioning platform for new orders. Our risk management philosophy is to approve almost all orders and manage the customer's payment terms.
2. With **Account Manager** we are able to run reports and keep our credit scores current. The DNBi report we created, based on the needs of our business, looks at Financial Stress and Commercial Credit Scores – we call it the “Dream Report” because it gives us what we need to know to make the best business decisions.

With the advanced reporting capabilities in DNBi:

- We have a much better sense of our good accounts and those that are high credit risk
- We identified that a large number of accounts were more than 90 days past due
- As a result, certain accounts were written off as uncollectable.
- With greater insight on our portfolio – we were able to lower our Days Billed Outstanding (DBO)



RESULTS AND ROI

With its implementation of D&B data and solutions for credit decisioning, Neopost has been able to reduce its DBO by five days. “The benefit of that is not just for Neopost, but for our customers as well,” Perry says. “They're able to understand the phased approach, what's expected to happen at the end of the process, and we're able to execute it timely to prevent any delays in payment or customer frustration.”

Neopost also realizes that the tools that enable this process are only valuable when good data flows through them. “Data quality is the foundation we build everything else on,” Rakoczy says. “For us to have credibility to sell to our customers, we've got to have impeccable data quality ourselves. D&B has done a great job of doing the education and the process improvement steps we needed to be successful in data quality.”

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