



CUSTOMER VOICE

How Bayer works with Dun & Bradstreet scores and automates its credit checks



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With an individual scorecard from Dun & Bradstreet, the globally active life science group Bayer has automated its credit checks to a very high degree and optimized trade credit risk monitoring. Depending on the credit limit required, Bayer specifically requests different risk data of their customers from Dun & Bradstreet's Data Cloud. The data is fed directly into SAP's Enterprise Resource Planning (ERP) system via an API integration.

In this interview, Andreas Wenzel, Global Credit & Customer Finance Manager at Bayer, explains how credit management works at Bayer and what advantages automation brings.



Andreas Wenzel

Global Credit & Customer Finance Manager
at Bayer

Senior Manager Andreas Wenzel has extensive experience in International Credit Management, Credit Insurance and Customer Finance.

In his global role, Andreas Wenzel supports companies with financing solutions for healthy growth while managing credit risk, political risk and agreed KPIs.

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MR. WENZEL, YOU HAVE A VERY LARGE NUMBER OF ACTIVE CUSTOMERS AT BAYER. HOW DO YOU MANAGE TO MAINTAIN AN OVERVIEW HERE AND CHECK THE CREDITWORTHINESS OF EACH CUSTOMER?

Andreas Wenzel: We actively work with the scores from Dun & Bradstreet. To do this, we combine external and internal information then apply an individual scorecard. We pursue a so-called smart data purchase approach. This means that we request different data from Dun & Bradstreet depending on the credit limit. For customers with a low credit limit, for example, we use pure master data. For a comprehensive credit check on major customers, we use special risk data. The data is requested directly via an interface according to the credit limit and automatically delivered to our ERP SAP.

YOU USE AN INDIVIDUAL SCORECARD. WHAT DOES THAT MEAN IN CONCRETE TERMS?

Andreas Wenzel: Dun & Bradstreet actively supported us in setting up the individual scorecard and, among other things, analyzed our customers' payment behavior. Our risk assessment incorporates external data from Dun & Bradstreet, internal data on customers' payment behavior, and geographical data. In addition, we draw on balance sheet data and the income statement for risk assessments. All this data is put into a specific relationship with each other in the scorecard. Based on this information, the customer is assigned to a risk class. Depending on the credit limit, we have classified our customers into small, medium and large and evaluated them individually.

YOU HAVE AUTOMATED YOUR PROCESSES IN CREDIT SCORING. THIS MEANS THAT DUN & BRADSTREET AUTOMATICALLY DELIVERS THE REQUESTED DATA INTO YOUR ERP SAP. WHAT ARE THE POSITIVE EFFECTS OF AUTOMATION FROM YOUR POINT OF VIEW?

Andreas Wenzel: We permanently monitor our customers. Many companies monitor once a year. By automating our processes, we do this continuously. That way, we always have an overview of our risk. The data from Dun & Bradstreet is continuously fed into our scorecard. The entire active portfolio is then scanned at regular intervals. In addition, our credit managers can now concentrate on the essential work, like the risk assessment. And you no longer need to deal with administrative tasks such as entering data.

HOW ARE YOU DRIVING BAYER'S GROWTH THROUGH SCORING AND AUTOMATION?

Andreas Wenzel: Clearly, if we assess risks correctly and promptly, we no longer block customer orders. Previously, if an employee scored a customer too late, or an incorrect limit was entered, this slowed down the internal process. A resulting blocked order meant the other department first had to coordinate with the credit department on whether the order could be released. This creates the risk of delayed sales delivery. Since the introduction of our individual scorecard, we have focused on monitoring our high-risk customers; those with a poor credit rating. All customers that are low risk for us run through in a highly automated process. In this way, we aim to reduce blocked orders and make an important contribution to driving Bayer's growth.

ABOUT BAYER

Bayer is a global enterprise with core competencies in the life science fields of health care and nutrition. With its products and services, the company aims to benefit people and protect the environment by helping to solve fundamental challenges facing a steadily growing and aging world population.

Bayer is committed to making a significant contribution to sustainable development through its businesses. At the same time, the Group aims to increase its earning power and create value through innovation and growth.

The Bayer brand stands for trust, reliability and quality worldwide. In fiscal 2020, the Group generated sales of €41.4 billion with around 100,000 employees. Research and development expenses, adjusted for special items, amounted to EUR 4.9 billion. Further information at www.bayer.com.





ABOUT DUN & BRADSTREET

Dun & Bradstreet, a leading global provider of data and analytics, enables companies around the world to improve decision-making and business performance. Dun & Bradstreet's Data Cloud fuels solutions and delivers insights that empower customers to accelerate revenue, lower cost, mitigate risk, and transform their businesses. Since 1841, companies of every size have relied on Dun & Bradstreet to help them manage risk and reveal opportunity.