

Why you need business information to manage exporting risks

In the age of information, businesses often struggle with transparency into their vendor and partner operations. While software and data analytics have advanced significantly, the sheer volume of information can hinder exporting companies from understanding their business counterparts and the risks they face.

For example, consider the modern supply chain. A given business may have a large number of international partners or even sub-vendors of vendors. Throw a crisis into the mix such as a natural disaster or pandemic and the complexity of the supply chain can mask critical risks and weak points.

Because everything can change in the blink of an eye, businesses need all the insight they can get to make informed operational decisions. Let's take a closer look at the threats that businesses might face, how a lack of information can exacerbate risks and what firms can do to build up resiliency.

Range of challenges:

There are always going to be headwinds for businesses i.e., factors that may negatively impact growth or operations. Ensuring your business thoroughly accounts for every challenge it could face is vital to business continuity and success.

Some of the most common challenges experienced by exporting companies include:

- **Lack of partner transparency:** It's important that companies conduct due diligence on new trading partners, but time and resource limitations may negatively affect the quality of those reviews. When you're hundreds of miles removed from your partners, it can be difficult to fill in the gaps over the phone or in email. Multiply this difficulty across the scale of all the partners you do business with and the risks of the unknown become clear.
- **Unfamiliar markets and cultures:** Trading partners in other countries may have entirely different business customs and practices. Sometimes these standards are known, but unwritten rules can create invisible pitfalls.

Language barriers, too, can lead to misunderstandings that affect business dealings. Although businesses can theoretically work around this by employing someone familiar with foreign cultures in-house, it might not be possible to do so for every market you sell in.

- **Political and economic changes:** The world is in constant flux, and political strife or economic volatility in another market can severely impact your trading. However, the nuances of such current events are often hard to grasp when you're far removed from the situation. Changes like increased taxes or new tariffs can surprise businesses that don't have on-the-ground intelligence.
- **Unpaid invoices:** All types of businesses face the risk of nonpayment. The trouble is that **unpaid invoices** are much harder to resolve with foreign trading partners. This could be due to the distance between you and your trading partner or if the buyer doesn't respond to your communications. In either case, unpaid invoices can lead to major cash flow problems for your business.

What kind of business information is needed?

There is one common theme to all those challenges mentioned above: lack of [business information](#). When you don't have the necessary insight into partner operations, your business cannot effectively manage, optimize nor protect its own operations.

Broadly speaking, there are three main buckets of business information that can help you better define your buyers.

- **Company fundamentals:** Everything from contact information and principal address to business registration number, VAT number, order history, and legal and insurance information.
- **Financials:** Includes revenue, debt ratio, cash flow, credit assessment, commercial scores, records of insolvency or legal events, payment incidents and much more.
- **Risks to their operations:** These risks can span business environment, geopolitics, economic forecasts, vulnerability to natural disasters and regulatory changes.

How do businesses access to business intelligence?

With this information in hand, exporting companies can better analyze risks and plan for them, potentially avoiding cash flow crunches and nonpayment.

Yet, while having rich and varied data sets to work from is the ideal, it's not often the reality for many companies. It takes a significant amount of time, effort and investment to cull these insights across all foreign markets and partners.

That's where **iCON by Coface** can help, by providing your company with essential information and transparency. We have a suite of intelligence products that can help your business obtain the insights you need to properly assess risks, manage operations and grow your footprint safely.

In particular, there are three types of reports we can generate that deliver insights, including:

- **[Information Reports](#):** This is your one-stop destination for all company vitals, allowing you to see key financial information about suppliers and

partners. Our snapshot reports can give you quick access in an easy-to-understand format, while full reports provide more extensive insights.

- **[Customised Credit Opinions \(CCO\)](#)**: We leverage our deep data assets and manual investigations and underwriting to produce an informed credit opinion, which is used to guide our [trade credit insurance \(TCI\)](#) options. This can help you accurately gauge the risk of nonpayment.
- **[Debtor Risk Assessment \(DRA\)](#)**: These reports can deliver up-to-date calculations on default or insolvency risk. We aggregate a number of diverse data points to plug into our calculation that measures risks and produces a recommendation you can trust.

Why Coface?

Coface has decades of experience around the globe. Our advantages include:

- With 75+ years of expertise, we specialize in global risk management for companies.
- Our extensive database includes 450,000 monthly reports, empowering our researchers with current and precise analysis.
- Supported by a dedicated team of 700+ underwriters and risk analysts, we underwrite risks over €650 billion, ensuring client protection from financial setbacks.
- Operating in 200 countries, we have unmatched access to insights, enabling comprehensive macroeconomic research and deep sectoral analysis.

[Contact us](#) today to know more about how our reports can help your business.