



Get Ahead of Economic Aftershocks: Holistic Portfolio Management Principles

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Panelists



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*Firms need to achieve **holistic portfolio management** in order to anticipate and adjust to economic swings and fluctuating market factors.*

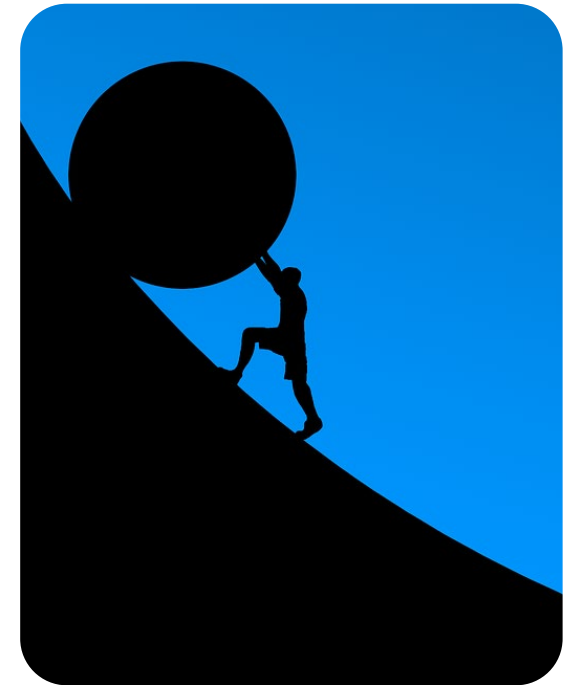
Challenges to holistic portfolio management

**Labor
shortages**

**Manual
processes**

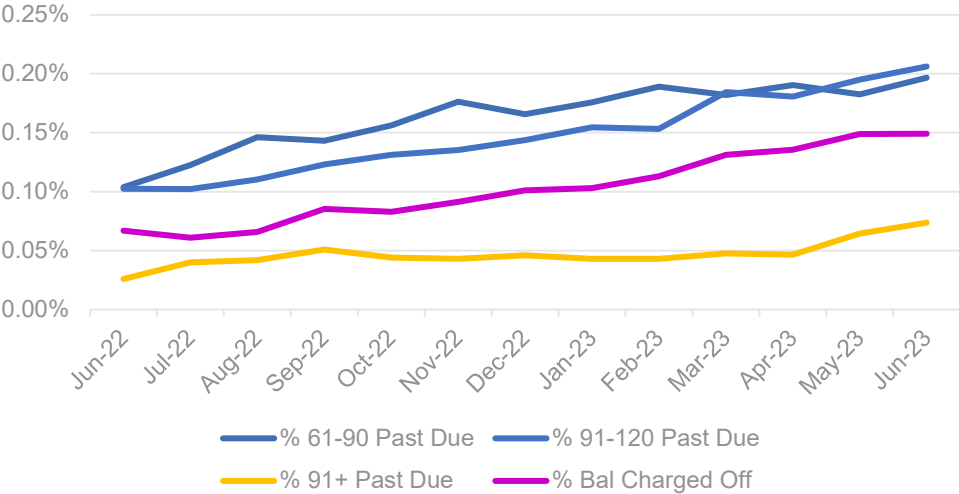
**Rapid market
shifts**

**Economic
uncertainty**



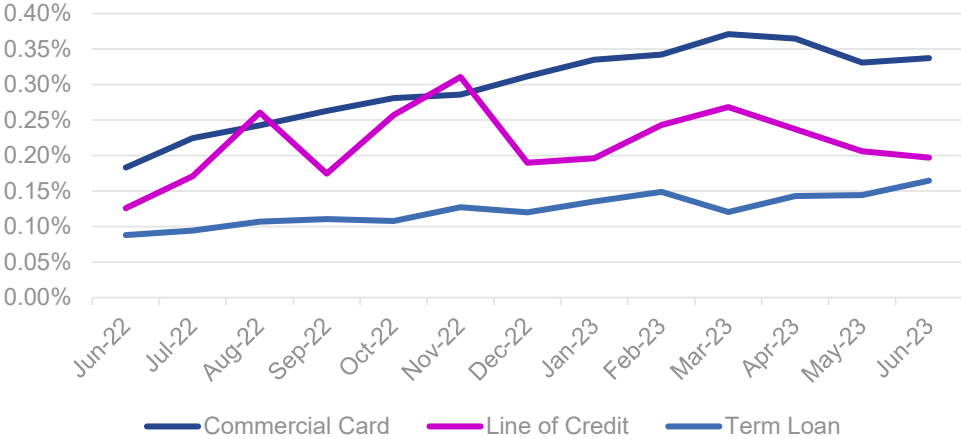
Small Business Delinquency Trends

Monthly Delinquencies - All Industries



Later stage delinquencies (>60 Days past due) have increased between 89% (61-90 DPD) and 123% (Charge-offs), Year over Year

61-90 Days Past Due by Commercial Account Type

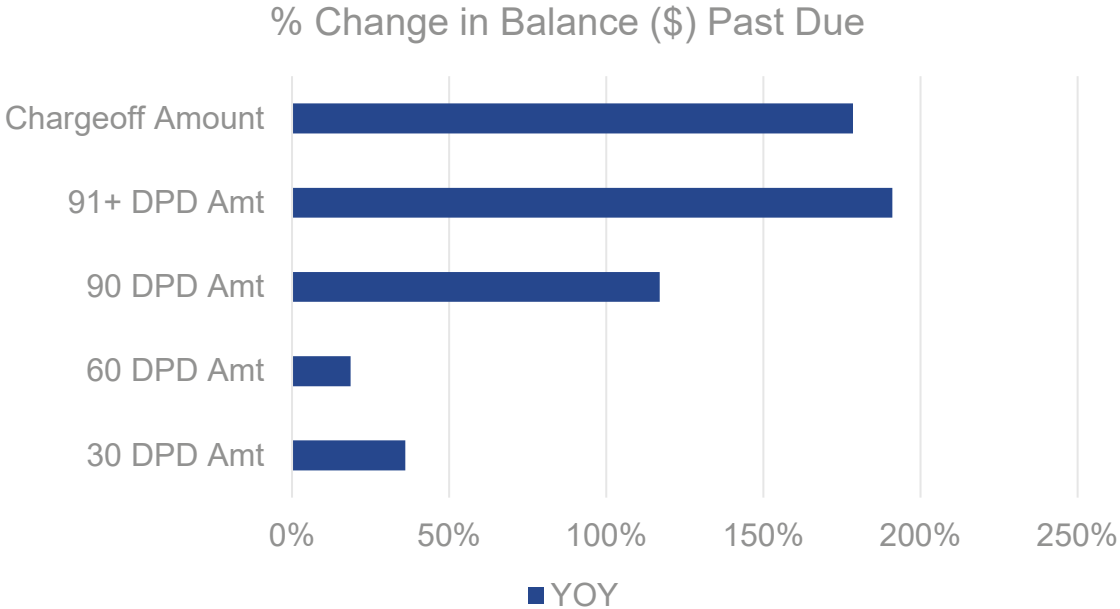


Delinquencies are up across all product types, but most are concentrated in commercial card with delinquencies being up 84% year over year



Economic Trends

Significant increases in late term delinquencies (90 DPD and greater) Year over Year
Commercial Card, Line of Credit and Term Loans, May 2022 to May 2023





Agility and efficiency are key to holistic portfolio management



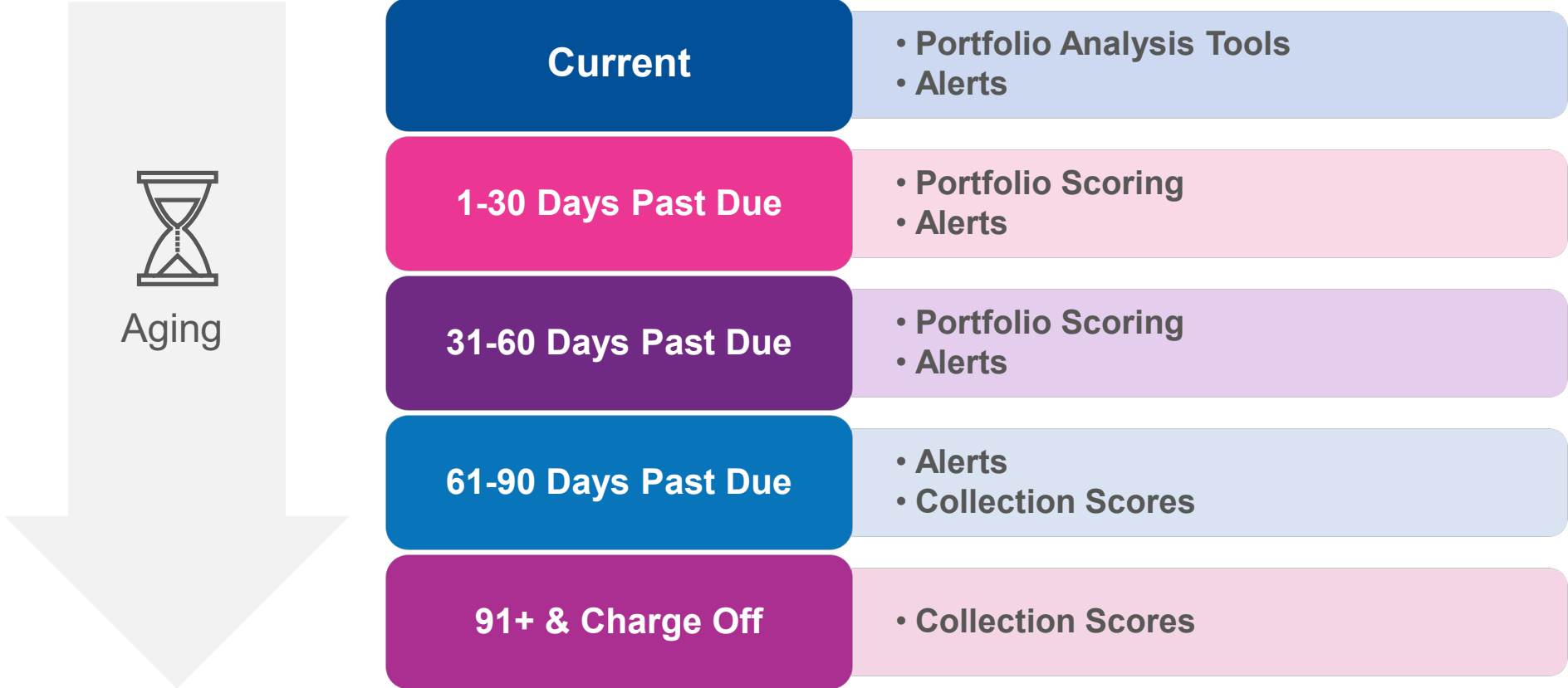
Automation



Automation is the catalyst to maintaining agility and creating efficiency

Scalable solutions for each stage of the receivable lifecycle

A holistic portfolio management strategy should include managing receivables at each stage in lifecycle



Evaluate signals with Alerts

Gain proactive risk insights on payment behaviors

- Identify a robust set of triggers and understand the severity
- Balance trigger frequency with predictiveness
- Take meaningful action on the accounts



Identify customers under financial duress



Identify customers potentially moving to your competition



Manage credit limits and pre-charge off

Trigger Description	90+ DPD	Frequency	Treatment
Derogatory Trade Payment 91+	70-85%	Low	Aggressive Strategy
Derogatory Trade Payment 61-90	65-80%	Low	
Derogatory Trade Payment 31-60	50-55%	Medium	
Lien Filing	6-8%	Low	Terms Adjustment
UCC Cautionary	6-8%	Medium	
UCC Satisfaction	6-8%	Medium	
New Trade Line	6-8%	Medium	
SBCS New Trade Line	6-8%	Medium	
IPV2 Score Decrease \geq 25 pts	4-6%	High	Evaluate Internal Behavior
FSR Score Decrease \geq 25pts	4-6%	High	
New Inquiry	4-6%	Medium	
High Credit Amount	4-6%	High	
SBCS Credit Limit Change	4-6%	High	



Portfolio Scoring

The value of proactive portfolio management

Benefits:

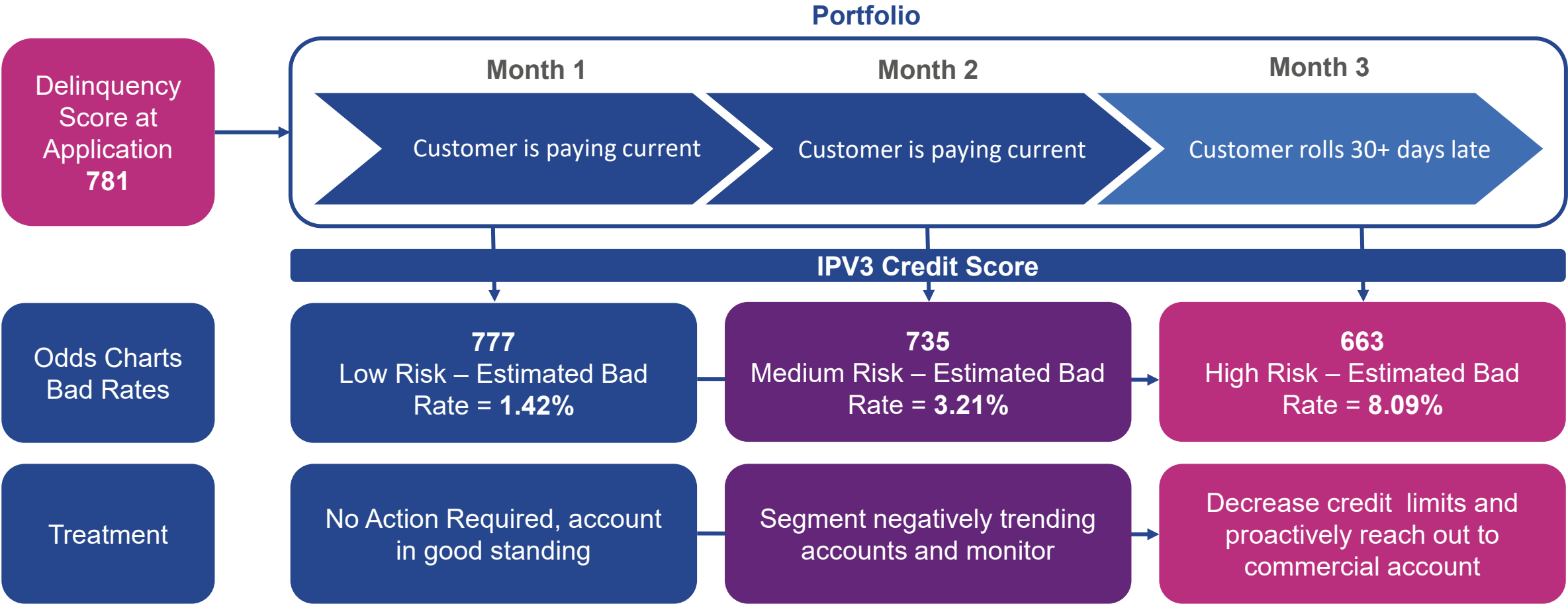
- Gain account insights beyond receivables
- Faster decisions, get paid faster, reduce loss
- Easily segment accounts by risk and type
- Handle accounts quickly and efficiently with less risk

Scores Available:

- Delinquency Scores
- Financial Stability Scores
- Consortium Scores
- Collection Scores
- Commercial Scores & Blended Scores

What problem does Portfolio Scoring solve?

Identify problem accounts early by looking at credit data outside of your portfolio



Commercial Recovery Score

Solution for Late-Stage Delinquencies & Charge-Offs

- Additive score for recovery prioritization
- Assessing the risk of accounts receivable dollars
- An all-in-one solution combining recovery score, financial stability score and skip tracing information
- Complements existing workflows and creates efficiencies in receivable prioritization
- Customizable, appended file layout

Commercial Skip Tracing

Skip Tracking Contact Information

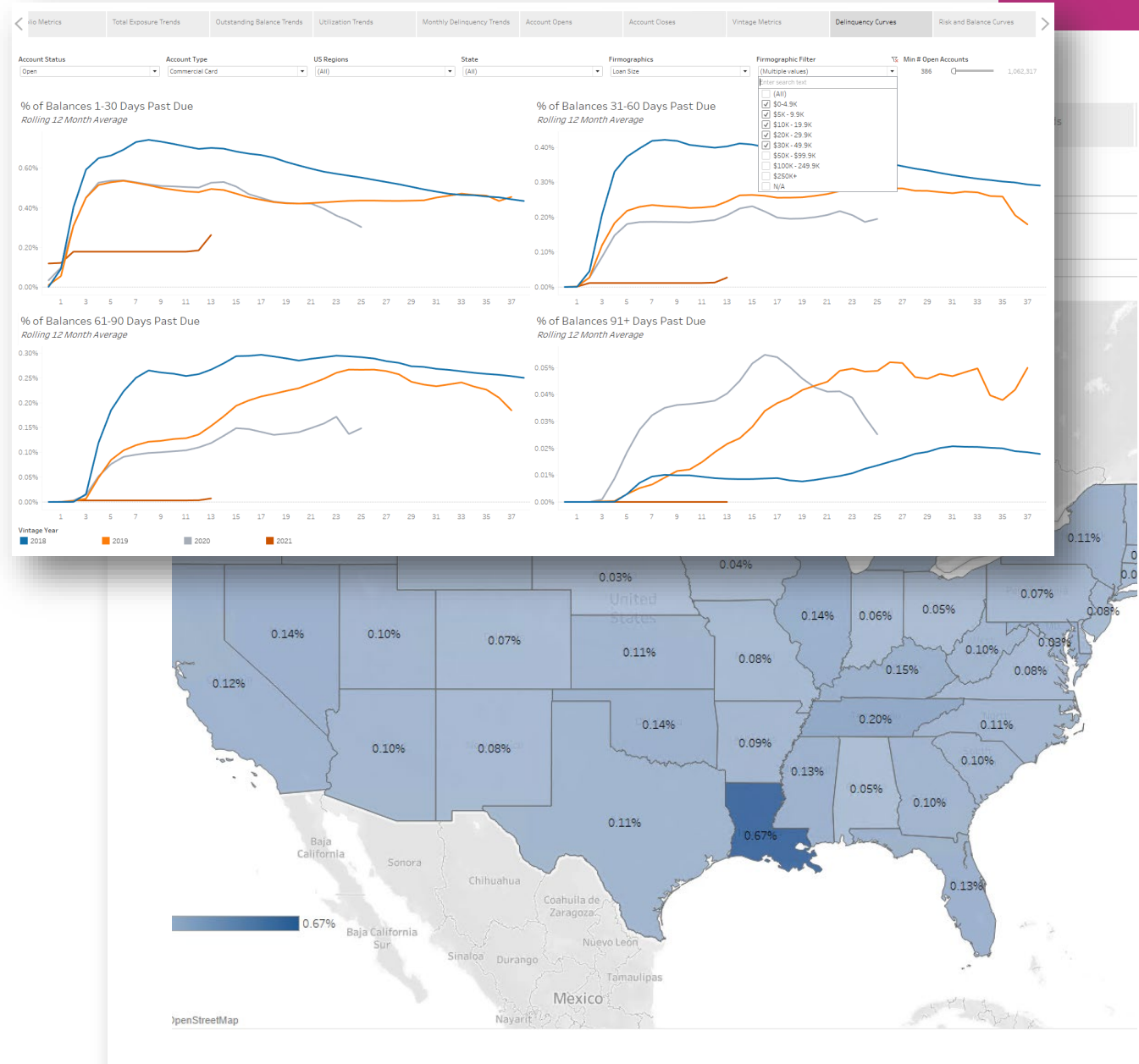
- Receive up to 5 officer contacts within the organization
- Up to 10 Additional Locations with full addresses and additional unique phone numbers

Client feedback

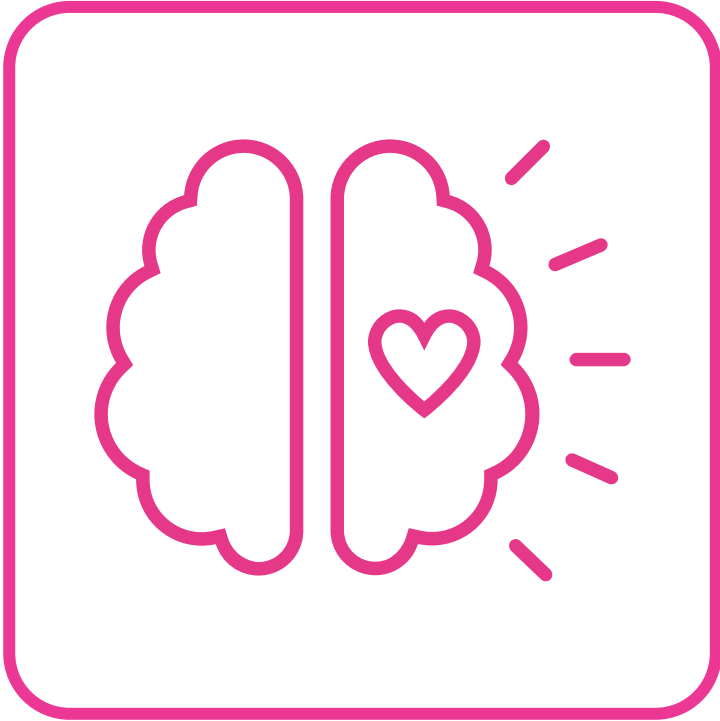
- 30% additional NEW contact information
- 60% of the additional contact information resulted in a “good net new contact”
- Delivered positive ROI

Ascend Commercial Suite

- Gain insights with deeper external data
- View portfolio performance over time
- Examine vintage trends based on policies, conditions, and strategies
- View risk factors & trends by industry or geography
- Determine the impact on delinquency rates within market segments
- Identify important competitive trends and understand your market position



Create financial inclusion and say yes to more customers



- Empower small businesses
- See customers through a soft landing
- Tighten credit where needed
- Broaden lines of credit
- Work with customers

Key Takeaways



- Agility and efficiency is key to holistic portfolio management
- Automation is the catalyst to maintaining agility and creating efficiency
- Scalable solutions for each stage of the receivable lifecycle are important to holistic management

Take the exit survey to get your own free Portfolio View Report

