

Business Failure Suite

KEY BENEFITS

- » Minimize charge-offs by assessing the most severe level of risk: business failure.
- » Use for marketing, vendor evaluation and risk evaluation for new or existing accounts.
- » Apply targeted treatment strategies to businesses showing higher likelihood of failure.
- » Monitor score changes and adjust terms for customers or suppliers with worsening scores.
- » Select the level of predictive reporting that best fits your requirements.
- » Choose online or off-line modes of access and delivery.
- » Combine with products in the Business Delinquency suite for enhanced risk management.

Assess the chances that your key customers and suppliers will still be in business a year from now.

When will the customer pay? How much will the customer pay? Behind these two questions, a third question looms even larger: Will the customer pay at all?

Now you can base your risk strategies not only on a business's late-payment patterns, but also on the risk of near-term failure. Equifax offers a full suite of products to help you identify which customers, prospects or suppliers face risk of business failure over the next 12 months.

Pick the best scoring methods for your requirements

Our Business Failure suite offers alternative ways to predict the likelihood that a business will fail through either formal or informal bankruptcy. Within the suite, you can select the products that best fit your planned applications, the level of information you need, the level of transaction risk, and your preference for access method.

Use the Business Failure suite for varying business needs

Risk evaluation:

- Use in account origination to vary terms according to financial strength
- Use in account management to evaluate existing customers for early indicators of trouble that may call for modifying terms

Marketing:

- Cleanse lists for direct mail campaigns to avoid squandering resources on weak prospects
- Prioritize marketing lists to identify candidates for cross-selling

Supply chain management:

- Evaluate potential suppliers to assess their viability
- Monitor existing suppliers before placing new orders

Turn information into money-saving decisions

Forecasting the overall economy is almost impossible—but with the right information, you can predict with some accuracy which businesses are likely to shut their doors. Rely on our Business Failure suite of products to add remarkable predictive power to your risk decisioning processes in marketing, sourcing and account management.

Remember, monitoring delinquency scores alone won't tell you the whole story. For some businesses, paying "late" is an ingrained business practice. Equifax recommends using one or more products of the Business Failure suite to reveal problems not evident in delinquency scoring.

For more information about how Business Failure solutions can help solve your toughest risk mitigation challenges, contact your Equifax account representative, call **1-888-201-6879** or visit us at

www.equifax.com/commercial

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Which scoring approach works best for you?

Equifax offers three products that predict the likelihood of business failure through either formal or informal bankruptcy within a 12-month period. Your Equifax representative can help you select the product—or products—most appropriate for your needs.

1. Business Failure Risk Level™

This product is well suited for small- to mid-sized companies seeking a straightforward scoring approach for vendor evaluation, marketing and pre-screening, and basic credit evaluation. The three scoring classifications—red, yellow and green—work well for low-risk, high-volume applications that don't require sophisticated decisioning.

2. Business Failure Risk Rating™

Use this approach if your business needs a process with more refined scoring than red, yellow, green. Business Failure Risk Rating, which has nine scoring classifications, is ideal for evaluation of suppliers, marketing to credit candidates and evaluation of new or existing customers.

3. Business Failure Risk Score™

Business Failure Risk Score includes financial trade data from members of the Small Business Financial Exchange. That's why this product is best for companies seeking highly predictive scoring for risk management of new and existing accounts.* The Business Failure Risk Score gives you four insightful reports:

- Sophisticated scoring, from "1000" (high risk) to "1880" (low risk), with up to four reason codes to indicate the top factors impacting the score
- High-level representation of the scores in five risk classes
- A national percentile ranking, which indicates how the business compares to other businesses in the Equifax Commercial database
- Incidence summary, providing benchmarking information on the national average failure rate and the average failure rate for businesses in the same risk class

Parlay the power—put two suites to work protecting your assets.

Don't base your risk mitigation decisions solely on the likelihood of business failure. Watch for the early warnings that business delinquency scoring can provide. The Business Delinquency suite is the perfect complement to the Business Failure suite. Your Equifax representative can help you determine the best options in each suite to satisfy your most demanding requirements.

Contact Us Today

Learn more about how Equifax can help you solve your toughest risk mitigation challenges.

1.888.201.6879

* This product is subject to the SBFE Usage Guidelines and may not be used for marketing purposes. Users must contribute to the Equifax Commercial database.