



CREDITARK

An integrated software application designed to help credit professionals accurately assess and monitor the creditworthiness of their clients' and optimize credit policy decisions.

The Challenge

The recent financial crisis has changed the credit landscape for many corporates and multinationals across various sectors and geographies, for ever. Some key challenges facing such organizations include:

- Increased delays in collecting receivables
- Higher, than ever, rate of delinquencies that lead to higher write-offs
- Lack of or significant reduction in credit insurances
- Hard to find or very expensive financing for working capital needs

Increased delays in receivables and write-offs is leading to liquidity problems and the shortage of much needed working capital. As a result companies are having to find ways to maximise cash inflows from sales in order to meet their financial obligations.

Effective credit risk management is therefore critical component in sustaining a company's viability.

The Problems

- **Subjectivity:** Clients' creditworthiness assessment is usually based on experience and personal judgment of the companies' executives.
- **No tools:** Credit departments are using manual / spreadsheet – based technology with poorly integrated functionalities that consume time and effort.
- **Not Enough Info:** Necessary information is not easily accessible or available. It is often difficult to gather due to disparate sources and analyze.
- **Poor quality & outdated data or limited value:** Available information is often of a poor quality, inaccurate and outdated as it is based on past events and not continually updated.

- **Lack of Bespoke Solutions:** Credit assessments (internal & external) and credit limits determination are not objectively linked to the company's specific characteristics like risk appetite, profit margins & risk-adjusted RoC.

The Solution

CreditArk® is a feature rich, highly customizable solution with two key differentiating modules:

- A combination of **behavioral, quantitative and qualitative** algorithmic models that deliver a single, unified Credit Score per Client on a predefined risk level scale (according to user's needs)
- The **Credit Limits Optimizer** employs the score produced by the statistic models in order to suggest credit limits that are defined according to the user's specific pre-determined targets in days sales outstanding, risk-adjusted return on capital and profit margins

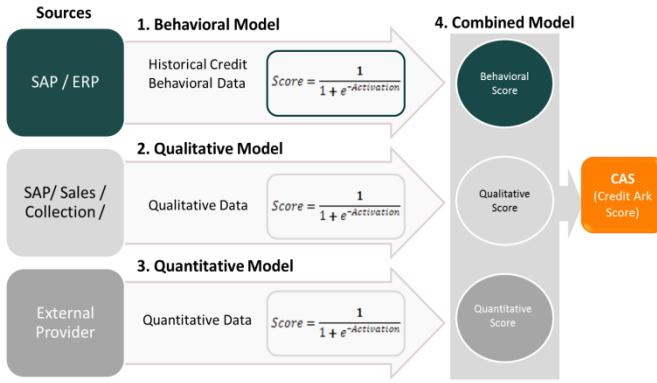
The Methodology



The 5 steps of CreditArk® Methodology

The Methodology

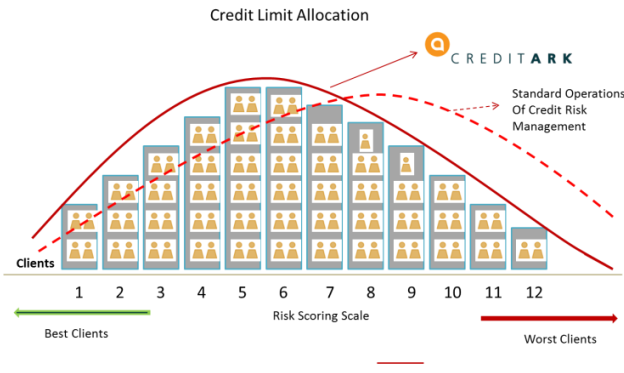
CreditArk® incorporates a proprietary Knowledgebase which contains a vast number of statistical models and algorithms, developed over a number of years.



The development of CreditArk® Score (CAS)

The unique characteristic of CreditArk® is its Credit Limits Optimizer (CLO).

The main objective of the CLO is to propose limits for the customers in a way that the requirements for a targeted total credit amount are honored while the profit is maximized.



CreditArk® Benefits

- Specialized software for credit executives that fulfills, in one dashboard, all of their needs and saves time and effort
- Robust statistical model that provides **dynamic and objective creditworthiness appraisal** of all and **every client globally** that **ensures integrity and transparency**
- **Bespoke optimization of credit decisions** that **maximizes Return on Sales** given user's available funding of credit
- **Accurate forecasting**, by using What If scenarios and Stress Tests Module, that **achieves tolerable revenues' collection period**
- Integrated solution, **easily interfacing with all internal ERPs and external data providers worldwide**, which incorporates all counterparty's necessary data in one place, interrelated and updated

Credit Limit Allocation through CLO

Unlike the "traditional" operations of Credit Risk Management, CreditArk® through Credit Limits Optimizer allocates the company's Bearable Credit Limit in an optimal and objective way so that customer with low probability of default could receive (depending on their needs for credit and company's credit policy) higher credit limit and vice versa.

About ARK ANALYTICS

ARK ANALYTICS AG, provides innovative decision support software solutions in: Credit Risk & Receivables Management, Basel & Solvency Accordance Compliance, Value-at-Risk Assessment, Risk Appraisal & Controlling Credit Bureau Operation.

ARK ANALYTICS AG, is a Zurich based company with an international business development network through associates and owned offices in New York, London, Munich, Athens, Sofia, Bucharest, Belgrade and Nicosia

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