



Strategic Risk Leadership (Not Risk Avoidance)

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SESSION FOCUS

Big Picture Portfolio Thinking

Decision Making Challenges

Risk as Growth Opportunity

Credit Risk Policy Best Practices

STRATEGIC RISK LEADERSHIP

Credit used to be about saying “no” in neat spreadsheets.

Now it’s about steering the business through uncertainty without paper cuts.

Leadership will be evaluated by how the Credit Executive balances risk with growth



RISK VS. GROWTH BALANCE



The Credit & A/R Leader that excels at this balance will weather the business changes we are all facing.



More automation, AI implementation and customer consolidation in major industries.



Not to mention big macro issues such as economic swings, interest rate concerns, political uncertainty....

PORTFOLIO THINKING

Big Picture Portfolio Perspective vs. Account by Account Tunnel Vision

Consider Adopting Financial Services Best Practice

CPM- Credit Portfolio Management – Strategic process used by financial institutions, insurance companies and institutional investors

Focus on:

- Comprehensive Risk Analysis across all customers

- Concentration management- across customer types, geography, product lines

- Portfolio monitoring- Stress testing your customers, warning signs, interconnected customers



PORTFOLIO MONITORING

creditsafe

Home Portfolios Notification rules

Events last 24 hours

0

Selected Companies - 0 of 455

Add new portfolio

Edit portfolio

Delete portfolio

All

Name

Safe number

<input type="checkbox"/>	"Waddenhic" outdoor fashion	NL0007643
<input type="checkbox"/>	"Der Bergspezl" Handelsgesellschaft m.b.H.	AT0462451
<input type="checkbox"/>	10CC GLOBAL SHOP S.R.L.	IT16914191
<input type="checkbox"/>	4810 SPORT SRL	IT01754543
<input type="checkbox"/>	53 DEGREES NORTH LIMITED	IE00514573
<input type="checkbox"/>	5PM STORE	FR31255279
<input type="checkbox"/>	A New Level of Training by Armand de Wit	NL03818926
<input type="checkbox"/>	ABATEX. A	BE00515521
<input type="checkbox"/>	ABC PHONES OF NORTH CAROLINA, INC	US46743383
<input type="checkbox"/>	ABOUT. Clercqstraat B.V.	NL04944733
<input type="checkbox"/>	ACTIV SPORT S.R.L. - IN LIQUIDAZIONE ATTIV SPORT GMBH - IN LIQUIDAZIONE	IT02084013

Events last 7 days

Country	Date	Name	Event
NO	03/20/2026	SØRENSEN SPORT AS	Local Rating Score +/-
AT	03/20/2026	Christian Bachler Sport GmbH	Director(s)
AT	03/20/2026	Christian Bachler Sport GmbH	Limit
NO	03/19/2026	SØRENSEN SPORT AS	New Remarks of Payment (Negative)
NO	03/18/2026	SØRENSEN SPORT AS	Local Rating Score +/-
NL	03/18/2026	Skistore Swing	International Score
NL	03/18/2026	Skistore Swing	Limit
IT	03/17/2026	BANCHETTI SPORT DI VITTORIO BANCHETTI SOCIETAA RESPONSABILITA LIMITATA	International Score
NO	03/17/2026	SØRENSEN SPORT AS	New Remarks of Payment

Export(.csv)

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Notifications sent

Arcteryx

Automatic monitoring

Countries

Search

Score

Last change

C	44	10/15/2025
A	91	11/19/2025
Registration cancelled		03/02/2026
C	39	02/21/2026
Not Rated		09/22/2025
C	45	01/20/2026
C	45	01/23/2026
B	69	02/08/2026
A	72	03/18/2026
C	36	10/30/2025
Registration cancelled		11/18/2024



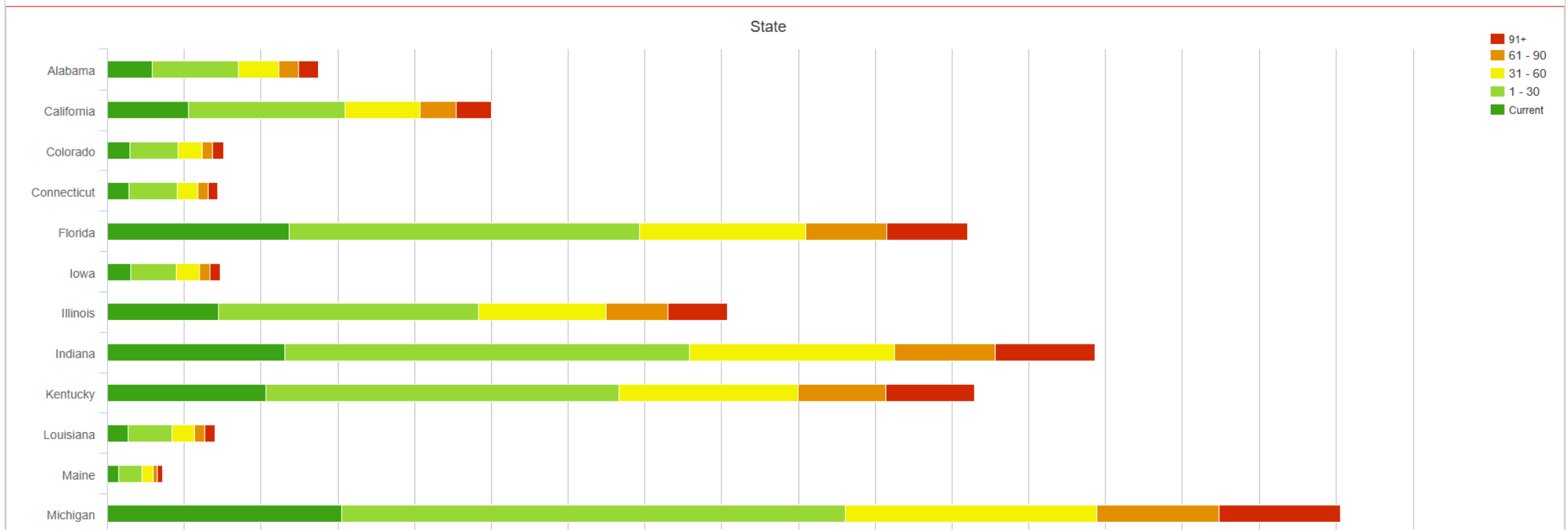
PORTFOLIO MONITORING

- Dashboard
- Matching
- Customers
- Analysis**
- Reports
- Member List
- Meetings
- Respond to AR
- Group Summary
- Credit Forum
- Settings

- Legal Filing
- Company Size
- Industry
- Geography**
- Not Rated
- USA

- State**
- City

* Please note only companies with a current outstanding invoice are included in this analysis.



PORTFOLIO MONITORING



Credit Risk Banding	Age of Debt						Total Outstanding
	Accounts	Current	1 - 30	31 - 60	61 - 90	91+	
A - Very Low Risk	716	5,327,079	10,648,207	5,299,959	2,681,011	2,667,427	26,623,683
B - Low Risk	559	4,134,732	8,245,870	4,132,011	2,068,247	2,076,379	20,657,239
C - Moderate Risk	228	1,802,246	3,607,870	1,803,630	904,326	914,509	9,032,582
D - High Risk	50	392,619	785,250	389,713	194,265	195,478	1,957,324
E - Not Rated	852	6,653,284	13,336,311	6,708,094	3,381,399	3,392,303	33,471,391
Not matched	436	3,332,982	6,739,986	3,386,423	1,622,096	1,612,682	16,694,169
Total	2,841	21,642,942	43,363,493	21,719,830	10,851,343	10,858,779	108,436,388

- Strategic portfolio view- Comprehensive Risk Analysis
 - Prioritizing collection strategy
 - Growth strategy
- Slide 5- Concentration risk management

Comprehensive Risk Analysis- use credit scoring, portfolio risk scores to get a big picture and segment risk

Expected loss vs. Unexpected loss

Expected Loss

- Start up Risk
- Deteriorating payment trends
- Cash Flow problems
- Sales forecast deterioration
- Product Quality Issues
- Legal Liabilities
- Production or Supply chain problems

Unexpected Loss

- Start up Risk
- Natural disasters
- Speculative industries (mining, energy, metals, housing)
- Legal Liabilities
- Production or Supply Chain problems

Managing Credit Risk is a blend of Art & Science

You are being asked to analyze imperfect data elements and forecast the future

Internal Payment Data

External Credit Bureau Data

Financial Statements

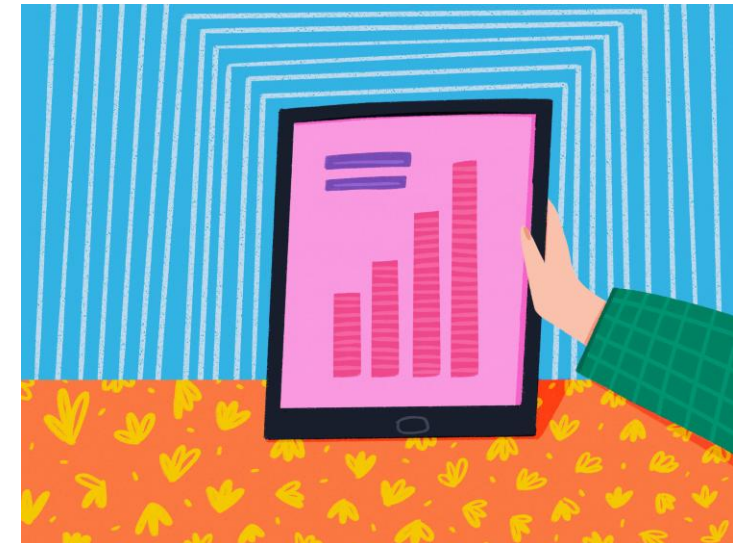
Public News Articles

Social Media

Consumer/Customer Sentiment Data

Brand/Market Position

Macro-economic factors



MORE DECISION CHALLENGES



Decision-making under imperfect information

Waiting for perfect data is just fear with spreadsheets.

Strategic leaders make defensible calls with incomplete inputs and **document the logic** so it holds up later.

Establish precise evaluation standards considering quantitative (credit scores, financial ratios) and qualitative (industry analysis, customer history) factors.

Most of this is second nature to most of us in Credit Management as we evaluate the bulk or majority of our customers



RISK VS. GROWTH AGAIN

The major challenge lies within high-risk scenarios, where thorough documentation and maintaining an audit trail for credit decisions are essential.

Is the organization on a path that will increase risk? How much, how quickly?



PREDICTING THE FUTURE

How do you use your Strategic Risk Leadership perspective to Protect against Credit Risk

And Tell the Story to Senior Management

Communicate the data driven elements (**SCIENCE**) and combine those with the more intangible business decision aspects (**ART**)

- Risk Appetite
- Strategic Customer
- New Growth market
- High Profitability
- Competitive Reasons
- Market Share



STRATEGIC RISK EDUCATOR

Tell the story and educate Sales and Senior Leadership on mitigation techniques:

Finding ways to say YES and make the sale

Security instruments- guarantees, credit insurance, letters of credit, liens, etc

Smaller first order

Lower credit line

Partial Cash In Advance





Remind them of the risk effects:

Increase to bad debt reserve
Cash flow impact
Reputational Harm

TELLING THE STORY

Setting Context for yourself or Senior Leadership

If you didn't experience the credit deterioration of 2007-2008 or your Leader did not

- mortgage defaults
- housing crises
- bank defaults
- global credit deterioration

This may be your first Major Bankruptcy and Credit Risk Storm

- Covid Era capital is spent
- Renegotiated leases are now due
- Bank covenants are due
- Interest rates still high



So often we are left alone in a silo to make the right decision to protect the company

Have a clear understanding of your company's risk appetite and document it

Be involved in the strategic sales conversations about growth strategy and the risk that may entail

Be involved in corporate cash flow and possible capital expense or expansion conversations

Ask the questions if you are not part of the initial conversations



Risk as Opportunity

Understand your organizations' risk tolerance

Understand strategic initiatives

Appetite for Risk vs. Profit or Market share

Re-evaluate your credit policy, scoring model or risk matrix based on strategic sales and growth goals





ESTABLISH AN ESCALATION DISCIPLINE

This may be part of your existing Credit Policy

Maybe it's time to review the Credit Policy and add clear escalation steps when there are differing opinions or pushback on Credit decisions

Everyone knows what "**acceptable risk**" means.

Sales, Finance, Credit may not be on the same page but they have the same understanding.

Be the Risk Leader

THANK YOU

Questions??????

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