Credit insurance can increase business efficiency

Companies can free up time from administrative tasks and achieve greater efficiency when they use their credit insurance correctly.

By Kristine Seest

Companies with credit insurance gain financial stability and protection against losses due to client non-payment. In addition, the credit insurance company provides systems that support the company's own systems and help automate manual processes. However, not all companies with credit insurance realize their opportunity to save time and create added value.

»Companies typically buy credit insurance to gain financial security and protection against financial loss in the event of client non-payment or bankruptcy. But credit insurance also provides an opportunity to optimize the company's internal processes, which is something many companies overlook,« says Account Executive Karina Jørgensen from WTW Trade Credit Insurance.

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Genan is one of the companies Willis, a WTW business, has advised on credit management. Headquartered in Viborg and with 330 employees, Genan is the world's largest mechanical recycler of used tyres. In addition to Denmark, Genan has factories in Germany, the United States and Portugal, as well as a sales company in the UK, all of which are co-insured under the same credit insurance agreement.

»I didn't actually believe that a broker would be of any help. I thought I had a good enough grasp of credit and that I could negotiate with the relevant credit insurance companies. But I was surprised. After Willis joined the negotiations on our behalf, we have achieved better prices and terms and at the same time optimized our internal processes,« says Group CFO Christian Kirkegaard Madsen from Genan.

Automation and transparency

Genan has been a client of Willis for several years, but did not get Willis involved as an advisor on credit insurance until 2024.

»Before Willis got involved, our application for credit insurance was done through manual processes. Now, automation of this process is part of our agreement, allowing us to search and develop data for credit management through integration of our system with the credit company's system. Willis did a very impressive job advising us on who had the best system for us. They even got the credit company to co-finance the technical integration between our systems,« says Christian Kirkegaard Madsen.

Transparency and overview

XL-BYG Brejnholt Gruppen, which is a family and employee-owned timber group with 375 employees and 15 branches across Denmark, has also gained greater value from their credit insurance after being advised by Willis.

»We have optimized credit management in our organization in several areas, and Willis provided a transparent basis for decision with an overview of pros and cons, which we used to choose the credit insurance company that could best support our credit assessment and risk management procedures,« says Jesper Fejborg, Credit Manager at XL-BYG Brejnholt Gruppen.

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He emphasizes that the advice from Willis has helped them gain greater insight into both the breadth and depth of credit insurance.

»In addition to assessing our customers' creditworthiness ourselves, we of course still rely on the credit company's assessment. Willis has advised us on price and terms, but the value creation is also largely based on sparring and structured use of the entire product range. All I can say is that it has been rewarding. And we will also save a considerable amount of money. So, in addition to better prices and terms, Willis has helped create a sense of security and confidence that we have chosen, received and are using the right solutions,« says Jesper Fejborg.

The majority of XL-BYG Brejnholt Gruppen's sales are B2B, and they have several thousand corporate customers that need to be credit rated every year. To a certain extent, they also credit rate self-employed businesses and private customers. They have also gained access to more relevant data and analyses from the credit insurer.

»This has led to optimization of our internal processes, which has certainly strengthened our operational efficiency, and with Willis we have a sparring partner and a watchdog. We also have a good working relationship with the insurance company, which I think will work even harder to deliver what we have agreed,« says Jesper Fejborg.

Surprising bargaining power

Genan Holding and XL-BYG Brejnholt Gruppen both emphasize that Willis has been a good partner to have on their side – in terms of reading the small print and being involved in the negotiations with the insurance company.

»We were in dialogue with several credit insurance companies, and we ended up staying where we were. But Willis‘ negotiating power took me by surprise, and we got a price at a level I hadn't even imagined,« says Christian Kirkegaard Madsen from Genan.

Willis encourages all clients with credit insurance to contact Willis if they want to find out how they can strengthen their credit management and security.