



HOW TO START A CONVERSATION WITH CUSTOMERS ABOUT TRADE CREDIT INSURANCE

Discussing trade credit insurance with your clients used to be perceived as an overly complex task, but there has never been a better time to promote this solution. Here's how you can discuss driving growth with your customers.

BREAKING THE ICE

From the uncertainties surrounding Brexit and the falling pound to rising insolvencies and the threat of recession, the news provides a great way to get the conversation started.

If you have a client that works in an industry where there has been a high-profile insolvency, for example, then they may already be reviewing their protection options. Equally, if you know one of your clients is reliant on one particular sector or a few key customers then striking up a conversation about trade credit insurance could be timely.

Read about who to sell trade credit insurance to **here**.

It is important to remember that trade credit insurance is more than a risk management tool. It can help your customers to grow their business by maximising sales and increasing profits too. Sharing examples of these – we have a number of customer stories you can use – is another great conversation starter.

It is recommended to begin discussions with clients around the mid-term mark, not during the renewal phase of other insurance products, to maximise the success of them buying trader credit insurance.

Read everything you need to know about trade credit insurance **here**.

STATING THE FACTS

Of course, new and existing clients will want to know some of the specifics of why they should think about buying trade credit insurance from you. Here are some key facts to share with them during your initial discussions:

- Improve sales and profits by gaining a better understanding of how creditworthy prospective customers are
- Get greater financial flexibility, thereby helping to expand or diversify portfolios
- Reduce bad debt provision, helping release capital for more productive purposes
- Provide an early warning system to help avoid bad debt
- Gain confidence to investigate new markets or customers overseas

TACKLING OBJECTIONS

Understandably, clients may have queries about or raise some objections with regard to trade credit insurance. Here are three of the most common, with some suggested answers:

Query 1: "It's too expensive"

Answer 1: Ask them to consider how a bad debt of £50,000 would impact their business or explain that they can incorporate insurance cost into quotes they provide to their customers and can spread the cost using instalments. Ask how much additional turnover they would need to generate in order to cover the money lost from the bad debt.

Query 2: "I'm really close to my customers and know them better than you or Euler Hermes ever will"

Answer 2: Check whether they know how their customers are paying other suppliers and inform them that we are more likely to know before they do if one of them is failing. Ask how frequently they check the creditworthiness of their existing clients.



Query 3: “We don’t need credit insurance because we have excellent credit control”

Answer 3: Explain that credit insurance is designed to work with their credit control, not replace it. Credit control also can’t protect them from unexpected insolvencies, which they’ll know if they’ve ever had a customer become insolvent. There may also be political risks involved if trading abroad.

Query 4: “I used credit insurance before, and they removed cover on my buyers”

Answer 4: Euler Hermes are consistently increasing overall level of cover provided to the UK companies. Limit satisfaction rate is averaging 80% and Euler Hermes has a global exposure worth over €700 billion and with 52,000+ clients, which demonstrates the value of its service. Euler Hermes is constantly improving and investing in information gathering and analysis.

Query 5: “My main customers are Blue Chip business”

Answer 5: In the recent years, we have seen insolvencies of such companies as Carillion, Palmer and Harvey, BHS and Debenhams. We constantly monitor evolving company information to keep you aware of emerging risks in companies which used to be considered blue chip. The larger companies are still a risk and their default may have a more detrimental effect on your business. How would you replace such a big concentration if they suddenly stopped paying you?

A JOURNEY WHERE SUPPORT IS ALWAYS ON HAND

As conversations with clients progress, you can rely on our support to make the process as simple and straightforward as possible. Below are some of the ways by which we help our partners:

- Working with a dedicated Credit Insurance Consultant who can provide training and participate in meetings with you and your customers
- Providing a dedicated account manager for individual policies who is experienced in direct interaction with clients
- Giving access to a Customer Line that offers support to both you and your clients
- In-house training and promotional marketing support
- Plus, we offer a competitive commission rate

If you have any questions or want to book an appointment with an Euler Hermes Consultant, please call us on +44(0)800 056 5452 or visit www.eulerhermes.co.uk.

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