

MEASURING RISK: WHAT'S IMPORTANT AND WHY?



BE PREPARED TO STAY AHEAD!

RESEARCH PAYMENT HISTORY BEFORE YOU DO BUSINESS

Sales are great, but if you close a sale and a distributor doesn't pay, you were better off not closing it in the first place. But how can you know whether or not a new distributor customer will pay? That's where a credit tool like Connect™ comes in – it **assesses risk by looking at distributors' past buying habits**. Other suppliers report on their business experiences with distributors, and you can use this information before a sale to make smarter decisions.

MEASURE OTHER RISKS

You also need to measure risk aspects in other areas of your business. Here are places you should look and a few questions to get you started.

INTERNAL ENVIRONMENT



Financial: How are your expenses? What are your profit margins? What are your plans for growth? Are there inefficiencies you can eliminate to save money?



Marketing: What is your marketing plan for the next year? Do you have consistency in your overall branding? How is your response rate? Is your messaging clear and concise?



Staff: Are your employees happy? What is your turnover rate? What benefits could you put in place to make employees happier and generate more output?

EXTERNAL ENVIRONMENT



New Markets: What's the buzz in the industry? How can you target new markets? What markets do you think are untapped?



Competitors: Who are your top five competitors? What do they offer that you don't, and vice versa? How can you attract their customers to your business?



Economy: What patterns are you noticing? What does the future look like? Will you benefit from future tax breaks or be hurt by increases?



Natural Disasters: Do you live in an area with frequent hurricanes or blizzards? What can you put in place to protect your business in a situation where you need to shut down for a period of time?

PREPARE FOR UNCERTAINTY

You can't prepare for everything, but you can develop practices to help you look to the future, create plans and act quickly when necessary. A future-focused attitude is crucial to the survival of small businesses, and you'll save time, money and worry. Plus, you'll get a BIG leg up on your competitors.

CONNECT

CREDIT | PROSPECT | UPDATE | ROI

Assess the risk of working with potential clients with the Connect™ credit tool!
Contact your account executive to learn more.