Customer Credit Risk Management

Crafted in Microsoft Power Platform

On an average of 25% 'Sales Orders' that land in 'Credit Block' generates not so pleasant customer experience. Due to inefficient processes and certain challenges, it is exorbitant to handle. Our Microsoft-enabled solution ecosystem brings in robustness and is tailored to manage these circumstances elegantly.

The Credit Management feature in an ERP manages this risk by allocating a certain credit limit to each customer. This prevents the sales team from booking orders for customers when the credit limit is exceeded. This is called a credit block. This usually triggers a workflow in the sales hierarchy for approving order booking or dispatch based on the Sales Representatives (SR) inputs such as customers commitment to pay, or payment received but not banked or future potential.

How to manage Credit Risk effectively?

Managing credit, its allowance is critical to any supplier-driven business. Allowing a lenient credit cycle to suppliers not only motivates them to perform better but also ensures a steady flow of business. However, mismanaged credit allocation might catch one off-guard resulting in cashflow issues and credits turning bad. The decision-making process should be near real-time, data-driven, seamless, and efficient.

Solution Components

SRs use Power App /Power Automate, MS Teams, and Virtual agent/chatbots to get visibility of customer information without logging in to an ERP and can raise credit block removal requests through Power Apps.

Areas Sales Managers (ASM) and ZM (Zonal Managers) get immediate notifications of the requests on Microsoft Teams reducing delays and without being interrupted by the SR calling on the phone.

They can take an informed decision by viewing the SRs attached documents, recordings, images, and remarks requesting removal of the block.

CFOs and CSO get 360 degree views of customers or SRs frequently requesting credit release on the Power BI dashboard.

# Credit Risk Management - Business benefits

Real time update and optimal use of ERP licenses

- Business can quickly view any information on Mobile device without logging in ERP.
- Chatbot to get visibility of Real time Customer & Order details from ERP.
- View & Approval process directly through the App & hence optimal use of ERP license

Improved process agility

- Hierarchy driven approval process
- Notification to Sales rep/ASM/ZM on Teams & Outlook for incoming approval request
- Facility to see list of new request, pending and approved request.
- Search & Sort customers' orders
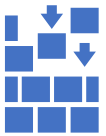
Faster and accurate credit decisions

- Faster process by getting immediate notifications can take action to release the order
- SR , ASM, ZM can take accurate and faster decision by looking at Customer Credit Limit, Exceeded Limit and Customer Performance data on the app.
- ASM, ZM can take fast and informed decisions by looking at remarks and attached documents, audio and pictures.

Insights for reducing credit risk

- Good insights of the customer data based on their creditworthiness which reduces credit risk
- ASM and ZM can take learned decision by observing the data

Improved traceability, audit record and reduced frauds

- Data visualization capability to get important information on the Power BI dashboard.
- Better traceability by looking at who has approved which order with remarks

Key Features

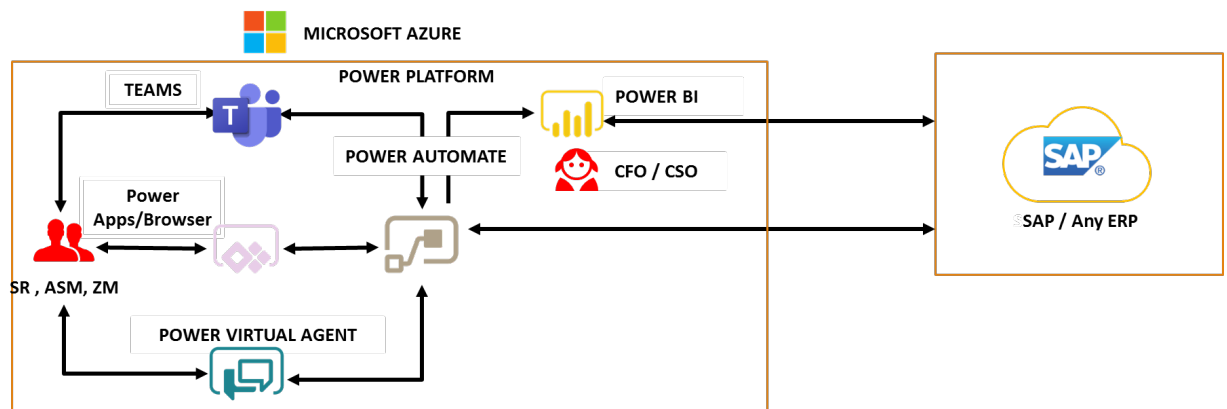|	
Mobility Enabled	Search and sort customers and orders
Hierarchy driven approval process	Power BI dashboards
Notification on MS Teams	Upload pictures Video and audio clips
View and approve credit block	Customer and order details on chatbot

ARCHITECTURE

MICROSOFT AZURE

POWER PLATFORM

TEAMS

POWER BI

POWER AUTOMATE

CFO / CSO

Power Apps/Browser

SR , ASM, ZM

POWER VIRTUAL AGENT

SAP / Any ERP

Why Nihilent?

Nihilent is a global Change Management company that helps enterprises solve business problems and manage change with a human-centric approach. A Microsoft Gold Partner for 16+ years, we bring extensive industry expertise, technical capabilities in Cloud, Power Platform, Data & Analytics and SAP along with tailored approach to implement new ways of working to deliver successful outcomes for our Customers.

Nihilent
evolving ideas