

## Press release

Paris, May 27, 2013

### **Euler Hermes and Sidetrade forge a European partnership through “EH Intelligence by Sidetrade”, a new integrated receivables management tool**

- Euler Hermes, the world’s leading credit insurer, and Sidetrade, the European leader in financial customer relationship management, are joining forces with an innovative and exclusive approach to managing risks and opportunities over the entire sales cycle.
- Given rising company insolvencies (estimated at +2% in France and +21% in the euro zone in 2013<sup>1</sup>) and difficulties in obtaining financing, company finance departments have put working capital optimization and customer risk management at the top of their priorities.
- Aimed primarily at large corporates, this web application is a joint receivables management tool that combines the company’s internal parameters with all of the information contained in the Euler Hermes credit insurance policy. Financial decision-makers can then enhance their customer reminder policy and focus on the cases with the most at stake commercially.
- “This innovative agreement, which is built around the major synergies in our capabilities, will be a key means for optimizing cash flow and managing risk at companies,” says Nicolas Delzant, Chairman of the Executive Board at Euler Hermes France.
- The product will first be launched in France, and by next fall in the United Kingdom.

#### **In a sluggish economic environment, securing accounts receivable is essential for a company’s performance and sustainability**

In 2013, insolvency rates are projected to increase by 2% in France (a total of 62,190) and by 8% worldwide.<sup>2</sup> The most recent Euler Hermes study on customer risk<sup>3</sup> also indicates that 56% of companies surveyed experienced late payments from customers within the past six months, and 42% of those responding estimated that payment delays would increase in 2013. The difficulties experienced by French companies in obtaining bank financing are weighing on their net cash positions. Given the current environment of increasingly scarce liquidity, companies need to manage their working capital requirements and assess customer risk more effectively. Cash performance is a core concern for the companies surveyed. Between 5% and 10% of their sales are tied up in the operating cycle. Working capital management provides a company with a powerful tool for generating cash, namely optimizing the receivables cycle, as accounts receivable account for nearly 40% of total assets. Identifying the source of demand and focusing on relations with reliable trading partners at both the local and international levels is essential for a company’s performance and sustainability.

#### **An exclusive partnership for a new approach to credit management**

Euler Hermes, the worldwide leader in credit insurance, and Sidetrade, the European leader in financial customer relationship management, are combining their skills to offer large corporates a key tool to support their commercial and financial performance. Thanks to its database of more than 40 million companies, Euler Hermes helps companies optimize their customer prospecting, commercial negotiations and sales force management as well as manage risk-taking by making these tasks more transparent. Sidetrade, European leader in financial CRM<sup>4</sup> based on a SaaS<sup>5</sup> platform, offers finance departments a unique web platform allowing a structured handling of customer reminders, disputes and risk management.

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<sup>1</sup> Source: Euler Hermes forecasts

<sup>2</sup> Source: Euler Hermes forecasts

<sup>3</sup> Euler Hermes 2013 Risk Barometer

<sup>4</sup> CRM: Customer relationship management

<sup>5</sup> SaaS: Software as a service



“We enjoy significant complementarity in terms of our capabilities. With this new cloud-based solution, which strengthens our line of web services on behalf of corporates, we are combining the power of Euler Hermes’ information with Sidetrade’s expertise over the entire sales cycle. Users of this service benefit from enhanced intelligence and responsiveness in their commercial development in France and abroad,” explained Nicolas Delzant, the Chairman of the Executive Board of Euler Hermes France. Only 5% of all companies have professional receivables management solutions. Companies do not have IT systems adapted to manage customer outstandings. “With this ground breaking solution in the credit insurance market, our joint ambition is to enhance Euler Hermes’s data in all trade receivables management processes. Prioritizing customer reminders based on the evolution of granted trade credit limits, and sharing the information between sales, operations and finance will bring immediate benefits to all finance departments,” notes Olivier Novasque, Chairman of Sidetrade.

EH Intelligence by Sidetrade will be marketed in France as of June before being launched in the United Kingdom in November.

### **EH Intelligence by Sidetrade, the cooperative “business-to-cash” cycle management solution**

This new solution is aimed at companies seeking a financial customer relationship management application. “EH Intelligence by Sidetrade provides sales support during the prospecting phase and gives the sales force and credit team an instantaneous, overall view of the financial health of prospects and established customers throughout the entire sales process; it amounts to a 360 degree view of the customer,” says Henry Bourny<sup>6</sup>, the Head of Credit Management at Cemex.

“EH Intelligence by Sidetrade represents also an outstanding opportunity to strengthen a company’s risk culture,” adds Olivier Novasque.

The application makes it possible to optimize and accelerate company decision-making by focusing sales efforts on accounts guaranteed to be financially sound. Thanks to the automatic monitoring of outstandings and guarantees, the teams receive real-time warnings as to changes in an account’s situation and can thereby fine-tune the insurance guarantees and internal credit limits.

As an added benefit, the company can adjust its internal reminder policy depending on its risk situation. Getting information to the right people helps to speed up dispute resolution while enhancing the effectiveness of amicable collection.

Lastly, the consolidated view provided by this application makes it an effective financial communications tool, since receivables optimization and control can facilitate access to financing, whether generated internally or through external borrowing, as companies gain credibility with banks and factors.

“Improving customer risk management and highlighting the importance of the company’s cash performance provides company finance departments with a mechanism for improving performance,” concludes Henry Bourny<sup>7</sup>.

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### **Contacts :**

#### **Euler Hermes France - Lise De Maeseneire**

01 84 11 44 29

[lise.demaeseneire@eulerhermes.com](mailto:lise.demaeseneire@eulerhermes.com)

#### **Ogilvy PR - Lorenzo Ricci**

01 53 67 12 83

[lorenzo.ricci@ogilvy.com](mailto:lorenzo.ricci@ogilvy.com)

#### **Sidetrade - Christelle Dhrif**

01 46 84 14 13

[presse@sidetrade.com](mailto:presse@sidetrade.com)

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<sup>6</sup> Early adopter of the service

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More information is available at: [www.eulerhermes.fr](http://www.eulerhermes.fr)

*As the market leader for credit insurance in France, **Euler Hermes France**, a subsidiary of Euler Hermes Group, contributes to the profitable growth of companies by insuring their receivables. Its mission is to mitigate customer risk in France and abroad, collect late payments and indemnify losses incurred.*

**Euler Hermes** is the worldwide leader in credit insurance and one of the leaders in the areas of bonding, guarantees and collections. With 6,000+ employees in over 50 countries, Euler Hermes offers a complete range of services for the management of B-to-B trade receivables and posted a consolidated turnover of €2.4 billion in 2012. Euler Hermes has developed a credit intelligence network that enables it to analyze the financial stability of 40+ million businesses across the globe. The Group insured worldwide business transactions totaling €770 billion exposure end of December 2012. Euler Hermes, subsidiary of Allianz, is listed on Euronext Paris. The Group is rated AA- by Standard & Poor's.

For more information visit [www.eulerhermes.com](http://www.eulerhermes.com) or follow us on Twitter [@eulerhermes](https://twitter.com/eulerhermes)

**Sidetrade** offers companies dedicated financial customer relationship management solutions. Its market-leading solutions, which are compatible with the ERP, are designed to accelerate cash flow generation by reducing late payments and controlling customer risk. With sales in 65 countries, the Group enables 50,500 corporate customers, both large and small and across all industries, to collaborate through its cloud.

Cautionary note regarding forward-looking statements: The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Euler Hermes Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) persistency levels, (v) the extent of credit defaults, (vi) interest rate levels, (vii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (viii) changing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the European Monetary Union, (x) changes in the policies of central banks and/or foreign governments, (xi) the impact of acquisitions, including related integration issues, (xii) reorganization measures, and (xiii) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

The company assumes no obligation to update any forward-looking statement.