

CUSTOMER STORY

# Neopost USA Slashes Five Days Off Days Billed Outstanding (DBO)

*Credit Scoring and Portfolio Analysis Crystallizes Industry, Geography and Performance Insight*



From start to finish, Neopost USA is all about helping companies better communicate. Whether that communication is physically mailed and shipped or delivered digitally, Neopost USA has the right solution to help its more than 800,000 customers in 31 countries keep their businesses humming. Founded in 1924, the company has evolved into the number-two global provider of mailing solutions, and has become a major player in the field of digital communications and shipping solutions. Its fast-growing business serves hundreds of thousands of customers with logistics, customer information management, and document output solutions for enterprise and mailing centers.



## THE CHALLENGE: Managing the Portfolio, Reducing Delinquencies

As Neopost USA transformed into a more comprehensive services provider, its risk management practices failed to evolve alongside its customer offerings. Already working with Dun & Bradstreet on the leasing side of its business, it looked to us to provide the fundamental tools that would help it better manage its customer portfolio, and continually ratchet down delinquencies.

Neopost USA required a universal process for making credit decisions at the beginning of a deal, and best-practice monitoring throughout the deal to make sure it was maximizing results. Prior to working with Dun & Bradstreet, Neopost USA didn't have any reporting capabilities for senior management — all information was lodged in disparate systems.

"We have a very large captive portfolio, and that's where we carry the risk of the company," says John Tartaro, Deputy CFO, Neopost USA. "We didn't have the fundamental tools to manage the portfolio, and our delinquency reflected that."

"We've been around for almost 100 years, and for most of that time we have been known as a company that does mailing machines. But if you think about it, we've always been in the communication business. We're creating the tools for small- and medium-size companies to communicate with their customers the way they want to be communicated with."

Steve Rakoczy  
CIO, Neopost USA



## THE SOLUTION: Risk Management Solutions Automate and Standardize Credit Rules and Policies

Thanks to credit scoring expertise from Dun & Bradstreet, Neopost USA now determines the right payment terms for its clients, and has vastly improved the reliability of the credit-scoring decisions it makes.

“Every month now, we get excellent reporting so we can understand our portfolio concentrations by industry, by geography, and how our customers are performing,” Tartaro says. “We make decisions about extending credit to our customers based on this information.”

Working with Dun & Bradstreet, Neopost USA uses DNB<sup>i</sup> Risk management solutions to:

- Connect data across disparate systems in the company, for a true view of its customer portfolio.
- Automate decisioning and routing rules — creating greater efficiency and control when processing new applications and monitoring accounts.
- Gain a segmented and holistic view of portfolio performance, using analytic reports to mitigate the potential of write-offs and take advantage of areas of opportunity.



## HOW IT WORKS: Leveraging a Complete Range of Modules

For its advanced credit needs, Neopost uses Dun & Bradstreet’s DNB<sup>i</sup> Risk Management Solutions with the complete range of powerful, add-on modules:

**D&B<sup>®</sup> Decision Maker for DNB<sup>i</sup>** is an upfront, automated decisioning platform for new orders. This module enabled Neopost to efficiently systematize and regulate credit decisioning across the organization.

**D&B<sup>®</sup> Account Manager for DNB<sup>i</sup>** helped Neopost USA run reports and keep credit scores current. The DNB<sup>i</sup> report created by Neopost USA was based on the needs of its business, and looked at financial stress and commercial credit scores. The company called it a “dream report” because it provided the intelligence to make the best business decisions.

**D&B<sup>®</sup> Portfolio Risk Manager for DNB<sup>i</sup>** provided the big-picture view of Neopost USA’s portfolio, enriching its cash management efforts.



## RESULTS AND ROI: Neopost Scores Huge Win by Boosting Data Quality, Lowering DBO

With its implementation of DNB<sup>i</sup> Risk Management Solutions, Neopost USA achieved a more strategic, risk-based approach to managing its portfolio. In fact, it has reduced DBO by five days in the first year - collecting five days earlier is a huge win for Neopost USA because it saves time and resources.

“The benefit of that is not just for Neopost, but for our customers as well,” says Loutissa Perry, Director, Accounts Receivable, Neopost USA. “They’re able to understand the phased approach, what’s expected to happen at the end of the process, and we’re able to execute it timely to prevent any delays in payment or customer frustration.”

The company’s deputy CFO uses the reporting tools to present far greater credit insight to the CFO and to identify trends, including:

- Identifying accounts 30, 60, and 90+ days past due for better prioritization on collections, lowering DBO.
- Detecting accounts deemed uncollectable for better bad-debt reconciliation.
- Applying decisioning so the “right” terms and credit lines are extended to new customers.
- Segmenting the customer portfolio to better understand the makeup of accounts, and be able to take immediate action. The Dun & Bradstreet solution provided account insight into good versus high risk, enabling Neopost USA to update credit terms and lines accordingly.

Neopost USA also realizes that the tools that enable this process are only valuable when good data flows through them. “Data quality is the foundation we build everything else on,” says Steve Rakoczy, CIO, Neopost USA “For us to have credibility to sell to our customers, we’ve got to have impeccable data quality ourselves. Dun & Bradstreet has done a great job of doing the education and the process-improvement steps we needed to be successful in data quality.”

“It was really at a whim, just tracking the customers and how they pay with no real foundation for the decisions that we were making. As a result, our DBO was a lot higher.”

Loutissa Perry  
Director, Accounts Receivable, Neopost USA

### ABOUT DUN & BRADSTREET

Dun & Bradstreet (NYSE: DNB) grows the most valuable relationships in business. By uncovering truth and meaning from data, we connect our customers with the prospects, suppliers, clients and partners that matter most, and have since 1841. Nearly ninety percent of the Fortune 500, and companies of every size around the world, rely on our data, insights and analytics. For more about Dun & Bradstreet, visit DNB.com. Twitter: @DnBUS

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