



Data Dialogue:

Dell Has Come a Long Way in Mitigating Risk Using Technology

A Q&A with Dell's Credit Advisor

In the wake of 9/11, everything changed. The new economic landscape that resulted from that event changed the way risk was managed. It certainly did at Dell, inspiring the company to employ new technology and ultimately make significant inroads in the way the company proactively managed risk.

As a Credit Advisor for the multinational computer technology company, Lynne Swenson experienced that shift. She now oversees the Dun & Bradstreet eRAM application and ensures it's being used to its full capacity to efficiently manage risk for the company. During her 22-year tenure with Dell, Swenson has seen, first hand, the benefits of employing a technology platform that facilitates consistency and enables better business decisions.

"Today, we are able to better mitigate risk by using new technology that's available," she says, "and I've seen how the technology as a whole has grown in leaps and bounds from the old days."

Here's what Swenson shared about that transformation when we had a chance to chat with her recently.

How have you seen the role of credit change during your tenure at Dell?

Unfortunately, one of the biggest issues came along with 9/11. Because that event involved so many different facets of, not only just businesses, but also the state and local economy, it shaped the way we were doing credit. We had to look at New York as far as what the credit risk was going to be, as well as the companies themselves and how they were going to recover.

Dun & Bradstreet helped us gather that information. With that, we were able to identify all the companies doing business in the city, as well as New York City government information.

Since then, how has the evolution continued?

From there, we began using Dun & Bradstreet's eRAM solution. Though we've used the solution in a number of capacities through the years, today, we are truly using it as a global tool—something we've been attempting to do within the organization for years. With that, we now have a wonderful capacity to see our global credit exposure around the world. In addition, we now have a global credit scoring standard that is applied across the board.

As it stands now, we have over 150 users of eRAM, about 60 of whom are actually credit analysts. The rest comprise those who simply want a tool that lets them look up information on our customers. It is a tool that is relied upon by many in our company.



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How has that helped in Dell's decision-making process?

Much of our business is reactive. Orders come in, then we set the credit limits and release those orders. What eRAM does is it allows us to be more proactive. We can pull a portfolio together, send it to the reps and say, "you're selling to company X, but companies Y and Z have more credit ability." With that we're better positioned to gain market share and expand our opportunity for growth.

If you weren't using eRAM, what would you be using?

I can't imagine any other solution as effective as eRAM in providing the breadth and depth of information. With eRAM, you can enter your own data as well as data that's been gathered from other sources, then create your own custom scorecard. eRAM helps bring it all together for us.

How do you track and keep track of individual industries and verticals in order to make smart decisions?

We make use of D&B's SIC codes. In years past, the airline industry was having trouble, and everyone wanted to get a good snapshot of the industry as a whole. Recently, it's the oil and gas industry that we need to keep an eye on. We're also interested in the retail space and our channel partners. We're starting to do more business with our resellers, so we want to keep an eye on them—all of which we are able to do through the SIC codes we receive from D&B.

From a best practices standpoint, what are you most proud of?

I am a big fan of eRAM, and I think more large companies can really benefit from it. From our point of view, the ability to create a custom scorecard and look at elements we feel are important in credit management and risk mitigation, and the ability to see things globally, has been a big success story for us.

What do you think about when you think of the D-U-N-S number?

In my mind, it's a social security number for a company. It's a unique identifier and you can track almost anything about that company with it.

Parting Words

In years past, Dell had to work hard to get their global teams onto one risk management platform, which created gaps in the information. "But we have overcome that challenge," says Swenson, "by way of a hosted eRAM solution, and we now have a complete view of our credit exposure around the world." Dell has made significant progress in leveraging technology to improve process efficiencies, which has resulted in reduced risk exposure for the company. Swenson promises that they will continue to evolve in their risk management practices as new technologies emerge.

