

## CUSTOMER PROFILE

# Anixter Creates Team Cohesion, Anticipates Risk with CreditRiskMonitor Data

A \$7.6 billion Fortune 500 company, Anixter International, Inc. was founded in 1957. Headquartered in Glenview, Ill., Anixter is one of the largest producers of wire and cable products, which are used in virtually every type of setting from large, corporate offices to small businesses and personal homes. Also a leader in communications and security, Anixter provides companies with the infrastructure solutions needed to keep a business running smoothly.

From robust office security systems to a conference room's wired Internet access, Anixter is in the business of keeping the world's digital communications afloat. Global Manager Mike Ellis ensures streamlined communication internally while assessing risk and mitigating potential loss. Ellis uses data-driven reporting and consistent account monitoring to drive the decision making process of Anixter's management team and sales staff.

### THE IMPORTANT ROLE OF WORKING CAPITAL

Staying ahead of risk and getting paid on time are at the top of Ellis' list. It is Ellis' job to ensure the strength of Anixter's extensive portfolio, which means pinpointing even the slightest of changes in the credit health of his customers. Mitigating risk is Ellis and his team's primary goal.

"No public company goes bankrupt overnight," he says. Thirteen years with the company and use of robust monitoring systems provide Ellis with the background and information needed to make crucial decisions about the company's customer portfolio.

*"We rely on  
CreditRiskMonitor because  
they pull this data for us,  
which saves us time."*

**creditrisk  
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### AT A GLANCE

**Company:**

Anixter, a \$7.6 billion Fortune 500 wire, cable and communications industry leader

**User:**

Mike Ellis, Global Manager, Accounts Receivable Risk and Reporting

**Challenge:**

- Getting paid within terms to ensure working capital
- Working with sales teams to bring in creditworthy customers
- Staying on top of companies at risk on a global scale

**Solution:**

- Weekly, sometimes daily monitoring of financial changes involving at-risk companies
- Integrating CreditRiskMonitor data into internal reports for a clear, holistic picture of a customer's risk potential
- Minimizing risk by using CreditRiskMonitor's FRISK<sup>®</sup> score and High Risk Reports

## USING DATA TO OPEN THE COMMUNICATION DOORWAYS

In today's ever-changing, digital world, businesses must adapt to stay healthy, and that means opening communication lines between teams. Credit and sales can have a frictional relationship, but Ellis and his team work diligently to bring the two teams together.

"We're using the sales relationship to accomplish AR goals, and we're trying to be more engaged with the sales team before an order is placed," said Ellis. He wants his credit department to be more than just the "center that says no," and helping the sales team understand credit as a function - rather than a prohibitor—helps Anixter reach its sales goals.

It's the tools provided by CreditRiskMonitor—the FRISK® score, High Risk Reports, and consistent monitoring—that help bridge the gap. The information provided by the service helps sales better understand how credit decisions are made.

## SETTING UP FOR CREDIT SUCCESS

Ellis and his team pull daily reports from CreditRiskMonitor on all portfolio companies at a FRISK® score of "3" or worse. This data is then combined with the company's internal AR report, infused with trend data, and reviewed from a holistic perspective. The data is closely monitored "day-by-day or week-by-week to see if the score of the company is decreasing or increasing," said Ellis.

This process provides Ellis with valuable insight into the financial health of his portfolio companies long before bankruptcy becomes an issue: "By the time something goes wrong, we're able to scale back on the operations to minimize our risk, and our sales people are actually thankful for it."

## CREDITRISKMONITOR'S HIGH RISK REPORTS SPELL OUT PROOF

An avid user of CreditRiskMonitor's High Risk Reports and Bankruptcy Case Studies, Ellis extracts the data and

integrates the scenarios into Anixter's day-to-day operations. "I want to know how these companies go bankrupt," Ellis states, and finds the reports provide him valuable insight into patterns and trends that could spell bankruptcy for the companies he works with directly.

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In Ellis' eyes, cash is still king, and knowing how a company is leveraged, whether in debt or in cash, is powerful information in a credit department's arsenal.

"We rely on CreditRiskMonitor because they pull this data for us, which saves us time," said Ellis. "Every five minutes freed up can be four more [sales] phone calls."

## WISH LIST AND ADVICE

Ellis' wish list includes private company financial data. "I know this is like pulling a rabbit out of a hat, but if we had a searchable database, where 30 percent of our private companies had financial data on record, that would be phenomenal."

As for advice when dealing with sales teams, Ellis implores credit managers and teams to use the numbers: "Lead them through the math, and let them think and calculate." This process—providing the Anixter sales teams with the financial information and the numbers—allowed them to see that credit managers make decisions that are calculated and backed up by data.

CreditRiskMonitor continues to roll out new services to aid Mike and his team, as well as all our customers. We know private company data is high on everyone's wish list and we're excited to be beta testing a new solution for private company financials. In the meantime, we look forward to building our relationship with Mike and Anixter as a whole, as they work to bridge the gap between credit and sales and stay on top of risk management.

