



TransUnion®

Case Study

SAB improves client credit utilisation and account management with custom scorecards

Challenge

Founded in 1895, the South African Breweries Ltd. (SAB) is the South African subsidiary and historical birthplace of SABMiller plc, one of the world's largest brewers by volume, with more than 200 brands and brewing interests and distribution agreements in over 60 countries across six continents.

The partnership between SAB and TransUnion started more than twelve years ago, when the brewer was seeking an accurate source of data for its credit decisioning function. The relationship grew from strength to strength and in December 2006 SAB afforded TransUnion the opportunity to participate in a "blue sky" session to better understand the prevailing credit environment and market landscape.

Objectives

SAB partnered with TransUnion to accomplish the following:

- Understand its clients better and develop a more customer-centric approach to granting credit and managing accounts.
- Address credit policies that were too restrictive, which negatively impacted some customer relationships.
- Enhance efficiency of credit department operations.
- Identify reasons why some customers were under-utilizing the credit SAB extended to them.
- Assist Sales in increasing revenue by identifying and targeting "preferred customers," the most creditworthy accounts.
- Identify and pro-actively manage adverse customers.
- Create a full-circle credit management model to ensure that all accounts in each stage of the customer lifecycle are managed consistently.

TransUnion Solution

TransUnion developed Commercial Behavioural Scorecards, separate analytical and decisioning models to meet the unique requirements of the two distinct customer types to which SAB extends trade credit: sole proprietors (informal traders) and juristic entities.

This ground-breaking solution has improved SAB's customer service significantly. It enables SAB to analyse its current customer base, identify and segment individual accounts in their portfolio, and apply a specific

"TransUnion's Analytic and Decision Services can be credited for designing the innovative Commercial Behavioural Scorecards with a high degree of flexibility. At the core of the solution lies an in-depth understanding of our business operations and our customers' behaviour. Through forming a close partnership our response to customer requirements have improved significantly."

Anthony Townsend
Group Credit Manager
South African Breweries

strategy with each based on current activity and developments predicted to occur in the future.

Results

The TransUnion solution is robust and has the ability to assess the entire customer base in just one week. Due to the high degree of flexibility, account management strategies can be easily updated to reflect changing economic conditions in the market. This is effective for establishing the clients within a portfolio that should be targeted for sales. For example, the model automatically recommends a credit limit for each account on a quarterly basis. However, but ultimate responsibility remains with representatives of SAB, who engage with each client and negotiate terms for the period.

There are also some accounts flagged as “not preferred” customers, and the solution allows SAB to identify these clients at an early stage and proactively manage them.

By employing the Commercial Behavioural Scorecards from TransUnion, SAB is able to analyze customer payment behaviours and segment accounts more effectively, helping to strengthen its position as market leader and innovator.

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