

Outsource to cut costs

The constant pressure on organisations to drive greater efficiencies, reduce costs and increase value is, according to Fabrice Desnos, Chief Executive of Euler Hermes, leading many to automate and outsource standardised processes for a much lower price.

Certainly there is a case for outsourcing, especially in a volume business providing a vanilla service. It is also often an opportunity for reducing what we might refer to as the low-value content of work to free up individuals' time to focus on more high-value activities. However, therein lies the balancing act – which part of your business will benefit from outsourcing and which part should your own people strategically control?

In the business of credit insurance, credit analysts are making thousands of decisions every day on whether to cover credit risk on millions of different businesses across the UK and worldwide. These decisions will directly affect profitability and the commercial relationships of our clients. They are trained finance professionals who justify their decisions based on information, research, objective criteria and various quantitative metrics, much of which can be automated or outsourced. However, key decisions are overlaid with their own judgement, experience and direct contacts. Their personal skills, the quality of their contacts and the managers or controllers of the companies they analyse, can make all the difference.

Talent within any organisation lies in its individuals. The skill in managing talent, therefore, is the ability to create the right business environment in which that talent can flourish, and bring maximum returns for your business. As part of the Allianz Group, at Euler Hermes we have experienced various initiatives in the last couple of years which provided additional structure to develop our service and our people. For instance, lending a voice to individuals' ideas helps them feel part of any innovation. These are all inclusive initiatives that give both the business and the employee an opportunity to grow, to

be part of the change process and to feel empowered in the future success of the business.

This theme of empowerment is central to the wider issue of reward. While reward should not be confused with remuneration, both are essential components of staff retention. Pay staff well and you will invariably keep them; pay them well and give them an environment in which their contribution is recognised and you will create real value for your business.

Our people, as everyone will tell you, are our most valuable asset. A company can implement the best IT platforms available and the most automated processes. A company can even go one step further, and employ all of the lean management principles and the most current business models. However, fundamentally, success is about having the right people making the right decisions for your business at the right time.

This is what marks the difference between a good, profitable business, and one that struggles. It is in that way, more than any other, that the real value of people as your most valuable asset will be realised.

Euler Hermes is a provider of credit management solutions and a member of Euler Hermes Group, a worldwide credit insurance, bonding, guarantees and collections organisation.

With over 6,000 employees in 51 countries, the group offers a complete range of services for the management of trade receivables, protecting over €800 billion of commercial transactions. Its consolidated turnover in 2006 was €2 billion.

EHUK insures its clients against losses arising from their customers' insolvencies



and payment default or political risks. It provides a diverse range of value added services, from trade debt collection and buyer opinions through to bonds and guarantees.

At the heart of the firm's proprietary knowledge network are its regional risk offices which are in charge of making direct contact with customers of EHUK's clients and obtaining the most up to date information on their financial position. This model is replicated worldwide within the group and is supported by global information and risk IT platform that gives access to first hand information on 40,000 million companies.

Euler Hermes Collections, a sister company of EHUK, is a leading provider of specialist national and global debt collection services. It is linked with a worldwide network of agents and lawyers, covering over 130 countries.

EHUK offers protection, information and collection. It means its customers can trade with confidence and have a greater opportunity for growth.

The group and its principal credit insurance subsidiaries are rated AA- by Standard & Poor's. ■

Further information

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