CRM – Customer Relationship Management
SACE Global Solutions

Aman Union Training Course 2016
Jeddah, May 3 – 4 2016
The purpose of this presentation
<table>
<thead>
<tr>
<th>S</th>
<th>Your Strengths</th>
<th>Which are the strengths that the client recognize you?</th>
</tr>
</thead>
<tbody>
<tr>
<td>W</td>
<td>Your Weakness</td>
<td>Do you usually collect any critic from the client?</td>
</tr>
<tr>
<td>I</td>
<td>Areas of Improvement</td>
<td>What can be done to improve your client satisfaction?</td>
</tr>
</tbody>
</table>
Overview

1. CRM – Customer Relationship Management
2. Defining the target
3. Who’s the customer for an ECA
4. SACE’s Approach
5. Distribution channels and Promotion
6. Our experience on the ground
7. Risk assessment
8. Relation with the client
### Historic evolution of the relation with client

<table>
<thead>
<tr>
<th>'70 – '90</th>
<th>'90 – ’2000</th>
<th>’2000- ?</th>
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</thead>
<tbody>
<tr>
<td><strong>Market Orientation</strong></td>
<td><strong>Customer Orientation</strong></td>
<td><strong>Access Orientation</strong></td>
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<tr>
<td>Service</td>
<td>Customization</td>
<td>Relation</td>
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<tr>
<td>Product</td>
<td>Service</td>
<td>Customization</td>
</tr>
<tr>
<td>NEED</td>
<td>NEED</td>
<td>NEED</td>
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</tbody>
</table>

- **'70 – '90**: Market Orientation
  - Service
  - Product
  - NEED
- **'90 – ’2000**: Customer Orientation
  - Customization
  - Service
  - Product
  - NEED
- **'2000- ?**: Access Orientation
  - Relation
  - Customization
  - Service
  - Product
  - NEED
The customer replace the market as a logical place for request and offer. The relation with the client and the characteristics of the relationship are the main key factors.
CRM – Customer Relationship Management

“CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments.

CRM unites the potential of relationship, marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders.

CRM provides enhanced opportunities to use data and information to both understand customers and co-create value with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled information, technology, and applications”.

(Payne & Frow, 2005, p. 168)
CRM – Customer Relationship Management (2)

Strategic CRM:
The aim of strategic CRM is to concentrate and enhance the knowledge about customers and use this knowledge to improve and customize the interactions with customers to maintain a long-term relationship with them.

Operational CRM:
Operational CRM generally refers to services that allow an organization to take care of their customers. It provides support for various business processes, which can include sales, marketing and customer service. Contact and call centers, data aggregation systems and web sites are a few examples of operational CRM.

Analytical CRM:
Analytical CRM supports organizational back-office operations and analysis. It deals with all the operations and processes related with client data collection.

Collaborative CRM:
Collaborative CRM applies technology in order to share information collected from interaction with customer with the aim to create recognized values for the companies and for the partners.
4 organizational principles

- **Market orientation**: customer oriented instead of product centered. Find the right product for your customer.

- **Production orientation**: concentrate on achieving intensive production efficiency and low costs.

- **Product orientation**: caught in «love affair» with the product.

- **Sales orientation**: the aim is to sell what you make rather than make what the market wants.

**On which principle does an ECA work?**
Risk orientation

When ECAs sell policies or guarantees...ECAs are buying risks!
CRM – The IDIC model

Customer Insight

- Identify: Customers as unique, addressable individuals
- Differentiate: Customers by their value & needs

Customer Experience

- Interact: With customers efficiently and effectively
- Customize: Some aspect of the company’s behavior

Is this model applicable to an ECA?
CRM for an ECA

✓ In general, CRM has a strategic and multi-functional approach in dealing with client...

✓ However, ECA is a hybrid player (trade-off between support and profit)

✓ Consequently, CRM approach should be specifically tailored for an ECA
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Looking for favorable wind

Ignoranti quem portum petat, nullus suus ventus est

There is no favorable wind to the person who does not know which port to reach.

Seneca
Moral Letters to Lucilius
Vision, Mission and Strategic goals

<table>
<thead>
<tr>
<th><strong>Vision</strong></th>
<th>The ultimate goals that an ECA seeks to achieve in the middle and long run. This set of goals might be distinguished at both national and corporate level.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mission</strong></td>
<td>The core principles, which will guide the company’s operations over time, irrespective of the (temporary) potential effect of externalities. The mission states the priorities from the business and operational perspectives, again both at national and corporate levels, and defines the market positioning and the approach in relation with other players in the financial market.</td>
</tr>
<tr>
<td><strong>Strategic Goals</strong></td>
<td>A set of planned and concrete objectives that the ECA would endeavor to achieve in the long term in order to carry out the “mission” and the “vision”.</td>
</tr>
</tbody>
</table>
Defining the Pyramid

Vision

Mission

Strategic goals

National level

Corporate level
ECA’s Mission

**Vision**
- Support exports and enhance business environment

**Mission**
1. Support exporters in difficult operations
2. No effect on the State Budget
3. Support viable transactions
4. Not compete with private financial market

**Strategic goals**
- Cooperation agreements with banks
- Synergies with other public institutions
- Sound risk assessment methodology
- Build a strong client base

**STRAEGY IMPLEMENTATION**
Strategy implementation / Business Model

The strategy implementation is linked with the business model, which is influenced by the following variables:

i. priorities defined by the country’s economic policy;
ii. public finance strength and sustainability;
iii. availability of financial resources and external funding;
iv. limits to foreign currency indebtedness;
v. market destination of exports;
vi. typology of goods exported;
vii. level of development of the private insurance market.
Strategy implementation

1. Identification of client

2. Identification of the needs

3. Pay-off for the ECA and for the Country

4. Communication and Promotion (distribution channels)

5. Products offer
Let’s discuss

1) Define the target / set the direction
2) Verify the adequacy of the structures
3) Implement the strategy
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That “empty” chair

The most important person in the room
The customer

**Identification**
- Who's the client
- Who's your client
- Understanding customer needs

**Elaboration and management**
- Personalize the relations
- Manage your relation
- Satisfy your customer

**Analysis**
- Successful cases
- Flops
Who is the customer?

“The customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider in our business, he is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us an opportunity to do so.”

Gandhi

“There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.”

Sam Walton

“We’ve had three big ideas at Amazon that we’ve stuck with for 18 years, and they’re the reason we’re successful: **Put the customer first.** Invent. And be patient.”

Jeff Bezos
The ECA client...Who is SACE client?

1. Exporter
   - Beneficiary of the contract
2. Lender
3. Buyer
   - Recipient of the furniture/
     final risk
Who is SACE client: Italian risk

Financial Guarantee

Exporter

1

Lender

2

Bond Coverage

Exporter

1

Bond holder

2

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Needs and reality

Normally, an ECA tries to adapt the reality and the customers’ needs to its products…

In the long term, the main effort is to adapt the ECA products offer to the reality and customers’ needs

However, this is a very risky process…be careful!
Customer needs: case study Fed-EX

Panic Vs Innovation

① FedEx is an American global courier delivery services company.

② How they react to the arrival of the FAX in 1984?

③ Zap-Mail

④ They did not understand the differences between product and services
Support Vs Innovation

① Enhance the credit for the exporters.

② What SACE did?

③ Credit enhancement product

④ SACE was focusing too much on the support.
Customer satisfaction

Customer satisfaction measures the efficiency of the service provided by the company to its client.

**How to satisfy customer’s expectations?**

- Attention to his needs
- Know how and expertise
- Bring innovative and customized solutions
- Efficiency

When customers value the service they receive, they are less likely to look for alternatives…
Customer experience management (CEM) is the collection of processes a company uses to track, oversee and organize every interaction between a customer and the organization throughout the customer lifecycle. The goal of CEM is to optimize interactions from the customer’s perspective and, as a result, foster customer loyalty.
How customer experience could be applied to ECAs?

**Customer experience**

- **Human Factor**
  - Expertise
  - Communication skills
  - Empathy
  - Courtesy
  - Accessibility
  - Accountability

- **Process Factor**
  - Low transaction costs
  - Less bureaucracy
  - Less paper work
  - Smooth execution

- **Communication Factor**
  - Quick and easy communication
  - Simplification
  - Responsiveness (feedback)
  - Client engagement
The importance to have an accurate customer-related database...

1. Define the goal
2. Define the information requirement
3. Identify your sources
4. Select the database technology or hardware platform
5. Fill in the database
6. Update the database
CRM Customer

How to manage a client portfolio?

Clients cannot be managed in the same way! On the one hand clients are equal, on the other hand every single client is unique.
Let’s discuss

- The customers are the most valuable asset of a company, hence understanding their needs is an important challenge.
- The ability of a Relationship Manager is to make sure the client’s needs are met at every step.
- It is fundamental to understand the client typology, which can assessed according to a variety of needs.
- Take care of customer satisfaction and improve customer experience.
- Develop a database and portfolio is strategically important.
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Our Vision, SACE’s approach
Key factors for being successful in the global market:

To compete globally, companies have to be strong in the domestic market.
SACE: Strategy implementation

1. Export
   Support to Italian companies in global markets

2. Internationalization

3. Business environment
   Strengthening of the context in which Italian companies operate

4. Country system

SACE’s strategy
SACE: Business Model

1. Export
- Supplier Credit
- Buyer Credit
- Documentary Credit
- Civil Works Policy
- Short Term Credit Insurance
- Trade finance (discount of invoices)

2. Internationalization
- Political Risk Insurance (PRI)
- Financial Guarantee:
  - Investment
  - Working Capital
- Surety/Bonding
- Local currency financing

3. Business environment
- Risk Management and Credit Recoveries
- Advisory Services for global strategies
- Credit Portfolio Insurance (whole-turnover policy)
- Receivables management and discounting

4. Country system
- Guarantee for Strategic Domestic Projects
- Guarantee for Renewable Energy Investments
- Guarantee for SMEs' bonds
SACE: growth strategy

Evolution of the commercial model in SACE

- SACE mission is changing with the evolution of the activity and the introduction of new business lines (SACE BT, SACE FCT, SACE SRV)
- The approach to the client follows the evolution of the market and aims at providing relevant answers to client’s needs
Main features of the two approaches:

<table>
<thead>
<tr>
<th></th>
<th>‘Transaction Driven’</th>
<th>‘Customer Oriented’</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy</strong></td>
<td><strong>Product specialization</strong> aiming at providing an excellent service</td>
<td><strong>Looking for solutions</strong> that fit client’s needs and more specifically on SACE products</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td><strong>The process starts</strong> on the client’s input</td>
<td><strong>Be close to the client</strong> in order to understand his needs asap</td>
</tr>
<tr>
<td><strong>Accountability &amp; Rewards</strong></td>
<td>Based on the <strong>execution ability</strong></td>
<td>Based on the ability of ‘<strong>insight</strong>’ on the client</td>
</tr>
<tr>
<td><strong>Organizational Structure</strong></td>
<td><strong>Product based</strong></td>
<td><strong>Focus on the client</strong></td>
</tr>
<tr>
<td><strong>Reporting</strong></td>
<td>According to the <strong>business line</strong></td>
<td>According to <strong>client’s typology</strong></td>
</tr>
</tbody>
</table>
CDP Group Structure

- **SACE SpA**
  - Export credit, credit insurance, investment protection, sureties, reinsurance, financial guarantees, project & structured finance

- **SACE bt**
  - CREDIT & SURETY
  - Short-term credit insurance, sureties and construction risks

- **SACE SRV**
  - Data acquisition and credit recovery

- **SIMEST**
  - 76% ownership

- **MEF**
  - 80% ownership

- **cdp**
  - 100% ownership

- **SACE FCT**
  - 100% ownership
  - Factoring and discounting of credit

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## SACE Group’s approach

<table>
<thead>
<tr>
<th>‘Specialised approach’</th>
<th>‘Consolidated approach’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Several entry points</td>
<td>One entry point</td>
</tr>
<tr>
<td>Separated CRM</td>
<td>Consolidated CRM</td>
</tr>
<tr>
<td>Single selling</td>
<td>Cross-selling</td>
</tr>
<tr>
<td>Specialization on the <strong>products</strong></td>
<td>Specialization on the <strong>clients</strong></td>
</tr>
</tbody>
</table>
Origination: two steps

Scouting - DAC Dashboard

Monitoring the origination performance (KPIs)
DAC – Dash board

DAC is a commercial analysis dashboard that allows to analyze the companies diffusion on the territory. It has been implemented in house unifying all data of SACE portfolio and using different technical instruments of analysis.
DAC – Criteria

Strengths:

✓ Commercial analysis on the territory
✓ Performance monitoring (meeting, pipeline)
✓ First screening of companies according with defined criteria

SACE’s cut-off criteria are (all at one time):

✓ Equity < 0
✓ EBIT / Financial costs <1
✓ Losses for more than 2 years
✓ Financial debt / turnover > 0.75
DAC – How it works
### DAC – Company profile

<table>
<thead>
<tr>
<th>Provincia</th>
<th>BRESCIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regione</td>
<td>LOMBARDIA</td>
</tr>
<tr>
<td>ATECO</td>
<td>3530 - FORNITURA DI VAPORE E ARIA CONDIZIO</td>
</tr>
<tr>
<td>Macro Categoria</td>
<td>Estrattiva, raffinati, energia, acqua</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Anno Bilancio</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatturato</td>
<td>€ 301,996,061,00</td>
</tr>
<tr>
<td>Valore Della Produzione</td>
<td>€ 319,938,003,00</td>
</tr>
<tr>
<td>Utile/Perdita</td>
<td>33,119,143,0000</td>
</tr>
<tr>
<td>EBITDA</td>
<td>€ 81,386,209,00</td>
</tr>
<tr>
<td>EBITDA/Fatturato</td>
<td>0,2695</td>
</tr>
<tr>
<td>ROE</td>
<td>0,0914</td>
</tr>
<tr>
<td>EBIT/Oneri finanziari</td>
<td>10,3480</td>
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<tr>
<td>Gearing</td>
<td>0,0000</td>
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<tr>
<td>Leverage</td>
<td>0,6884</td>
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<tr>
<td>PFN</td>
<td>-€ 419,985,00</td>
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<tr>
<td>PFN/EBITDA</td>
<td>-0,0052</td>
</tr>
<tr>
<td>Debiti / Fatturato</td>
<td>0</td>
</tr>
<tr>
<td>Margine di Struttura Primario</td>
<td>-164,619,807</td>
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<tr>
<td>Margine di Struttura Secondario</td>
<td>-164,619,807</td>
</tr>
<tr>
<td>Liquidità relativa</td>
<td>0,0000</td>
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<tr>
<td>Liquidità assoluta</td>
<td>0,0000</td>
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</tbody>
</table>

**Semaforo**

- **Perdita d’esercizio**
  - **Ok**: 10,3480

- **EBIT/Oneri Finanziari**
  - **Ok**: € 33,119,143,00

- **Patrimonio Netto**
  - **Ok**: € 362,432,759,00

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KPIs: monitoring the evolution

<table>
<thead>
<tr>
<th>Key Figures</th>
<th>YTD</th>
<th>% Success Rate</th>
<th>Pipeline</th>
<th>FY Forecast</th>
<th>Target</th>
<th>Δ% FY Forecast to target</th>
</tr>
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<tbody>
<tr>
<td>Approved guarantees</td>
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<tr>
<td>Approved Premia</td>
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<td>Gross written premia</td>
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<td>Settled claims</td>
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<td>- political</td>
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<td>- commercial</td>
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<td>Recoveries</td>
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<td>- commercial</td>
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<td>N. approved operations</td>
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<td>N. served clients</td>
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<td>LB</td>
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<td>SME</td>
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</table>
KPIs: by geographical area

Number of clients

North West
- Traditional channel: 59
- Online channel: 74

Central North
- Traditional channel: 42
- Online channel: 77

Central South
- Traditional channel: 133
- Online channel: 90

North East
- Traditional channel: 119
- Online channel: 114

Online channel Total: 126
Traditional channel Total: 145
## KPIs: by product

<table>
<thead>
<tr>
<th>Product</th>
<th>Commitments</th>
<th>Premia</th>
<th>Premium interest medium rate</th>
<th>Operations</th>
<th>Loss ratio ex ante</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer’s Credit policy</td>
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<tr>
<td>Supplier’s Credit policy</td>
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<td>Investment policy</td>
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<td>Confirmation of letter of credit policy</td>
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<td>Financial guarantees</td>
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<td>Guarantees for the internationalisation of SMEs</td>
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<tr>
<td>Surety Bonds</td>
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## KPIs: International network

<table>
<thead>
<tr>
<th>KEY FIGURES</th>
<th>Moscow</th>
<th>Johannesburg</th>
<th>Dubai</th>
<th>Sao Paulo</th>
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<tbody>
<tr>
<td><strong>Total Revenues (a)</strong></td>
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<td><strong>Origination Fees</strong></td>
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<td><strong>Contribution Fees</strong></td>
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<td><strong>Total costs (b)</strong></td>
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<td><strong>Preliminary request (c)</strong></td>
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<tr>
<td><strong>Total (a+b+c)</strong></td>
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<td><strong>Business approved through SACE International network</strong></td>
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<tr>
<td><strong>Commitments</strong></td>
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<tr>
<td><strong>Premium</strong></td>
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<td><strong>Number of transactions</strong></td>
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## Overview

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It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.

Charles Darwin
Origination is the key

Acquisition — Development — Retention

Distribution Channels
Promotion
Distribution channels

Proximity

Domestic and International Network

• 14 Domestic Offices (of which 4 branches)
• 9 International Offices in major emerging and industrialized target markets and 1 Regional desk
• Direct contact point to help identify solutions
• Solid relationship with foreign player
• Fair and exhibitions
• Network or dedicated people or brokers
• Cooperation agreement with banks

Simplified process

Online Channel

• Simplified application procedures
• Lower costs
• Faster feedback
• Preliminary assessments the reliability of a counterparty

Knowledge and expertise

Advisory Services

• Identification of best growth opportunities
• Assistance in the negotiation process
• Development of strategic plans to face global markets
Domestic and international model

Domestic Side

Top Corporate (66 clients)

Large Corporate > Euro 500 mln

Small/Medium Enterprises Euro 0-500 mln

International Side

Foreign Buyer

- GRM
- Large Business Division

International Network

- Large Business Division
- Domestic Network
- Online channel
- Advisory Services

SACE – Global Solutions
Domestic and International Network
SACE’s Domestic Network

- 4 branches and 10 offices
- 42 agents

Each domestic office acts as a reference for the internationalization of Italian companies (mid-cap and SMEs). Branch offices can manage the entire underwriting process independently: from enquiry and credit assessment to the issuance of the insurance policy.

1) For credit insurance, surety and construction risk only
SACE customers needs has imposed an analysis of the customer base in order to identify the best strategies to support them: “one stop shop”. Direct contact point to help identify solutions: **Domestic Network**

**Needs**
- proximity
- partner for the internationalisation
- identification of growth opportunities
- assistance in the negotiation process
- fast feedback

**Coverage**
- Domestic network
- Online channel
- Bank coverage

**Products**
- Financial Guarantees
- Supplier’s Credit
- Surety Bonds
- Confirmation of Letters of Credit
- Export Credit
Domestic Side – Large and Top corporate: Client targeting strategies

**Needs**
- tailor made solutions for specific needs
- global reach (multilateral institutions, financial institutions, etc.)

**Coverage**
- Global Relationship Manager
- Large Business Division

**Products**
- Corporate & Structured Finance
Domestic Side – Large and Top Corporate: Client targeting strategies

**Global Relationship Manager**
- The GRM is responsible for overseeing the global client relationship, setting the strategy and managing the core client team. GRM is dedicated to bringing the best of SACE resources to our clients.
- The Global Relationship Manager must be ready to develop creative solutions for existing clients, as well as pursue new client opportunities.
- This client-centric approach ensures that all practices and offices around the world follow consistent standards, etc.

**Large Business Division**
- infrastructures & utilities;
- transport, financial services and special industries:
  - shipping,
  - aircraft, automotive and trains,
  - banks & special industries
- heavy industries:
  - oil&gas
  - petrochemicals
  - steel
SACE’s International Network

- 9 Representative Offices
- 1 Regional Desk

1) c/o African Trade Insurance Agency
The areas of intervention of the International Offices

**Representation**
- Institutions
- Associations
- Multilaterals

**Partnership**
- Major players in the market and/or complementary to the activities of SACE

**Monitoring**
- Political developments, economic and financial analysis of markets and sectors

**Portfolio Management**
- Recovery and Restructuring

**New Business Opportunities**
- Local and international banks
- Buyers / importers
- Subsidiaries of Italian companies
- ECAs, multilaterals and IFIs

**Assessment and Advisory SMEs**
- Creditworthiness of public and private counterparties

**Clients**

**Markets**
**SACE’s International Network** consists in 9 Overseas Offices and a Desk in Nairobi, acting as strategic regional hubs in all major emerging markets and developed economies of potential importance for the Italian exports.

The International Offices act as catalysts for export opportunities, assisting Italian companies to locate business partners and buyers overseas. Main activities can be resumed as follows:

- Work in close connection with Italian companies active in the region and their local counterparties (the Buyers)
- Scout new business opportunities and assist in the credit evaluation of local companies and/or local subsidiaries of international corporates
- Monitor macroeconomic developments and SACE’s portfolio in the region (including direct contact with local MLAs, IFC/Worldbank offices, as appropriate)
- Arrange training programs ‘made to tailor’ for local companies, banks or ECAs
- Organise local events (e.g. seminars) to promote the internationalisation of Italian companies, working closely with the local Italian institutions (Embassy, Consulate, Italian Trade Commission, Chamber of Commerce, etc.).

**The added value of SACE’s International Network**

- Oversee the most dynamic markets, assessing opportunities and risks
- Identify potential clients/investors
- Facilitate the relationship between exporter and local counterparties
- Provide support to find the most efficient structure for the transaction
- Identify the best funding sources
The areas of intervention of the International Offices

In order to support the internationalisation of Italian firms, SACE signed partnership agreements with institutions and local counterparties offering complementary services in order to facilitate export activities.

Partnerships

International agreements with ECAs and financial institutions
Fairs and Exhibitions
Fairs and Exhibitions

- SACE takes part in National and International fairs exhibition in order to present insurance and financial tools seized to support the growth of SME’s business.

- Supports clients in negotiation

- Main sectors: Agroindustry, Machinery, Technologies and Materials for processing and packaging, Plastics and rubber, Textile.
Dedicated people or broker
Dedicated people or broker

✓ **Account Manager**: responsible for the management of sales, and relationships with specific customers. Dedicated portfolio and / or selected territories.

✓ **Broker or agent**: sells, solicits, or negotiates insurance for compensation
Cooperation agreements

SACE signed more than 20 agreements with domestic and international banks in support of SME internationalisation and 15 bilateral or multilateral agreement with governments, Chambers of Commerce, other ECAs.

Operational activities 2005 – 2015

- Guarantees approved: **3,759** (75% to SME)
- Credit line: **3,43** Bn Euro
- Commitments: **2,33** Bn di Euro
- Premia: **51,5** M di Euro
Reinsurance Agreements

- Austria, OeKB
- Belgium, Credendo Group (ONDD)
- Canada, EDC
- China, SINOSURE
- Czech Republic, EGAP
- Denmark, EKF
- Finland, FINNVERA
- France, COFACE
- Israel, ASHRA
- Germany, EULER HERMES
- Japan, NEXI
- Luxembourg, ODL
- Netherlands, ATRADIUS
- Norway, GIEK
- Poland, KUKE
- Portugal, COSEC
- Russia, EXIAR
- Saudi Arabia, ICIEC
- Slovenia, SID
- Spain, CESCE
- South Korea, K-sure
- Sweden, EKN
- Switzerland, SERV
- United Kingdom, ECGD (UKEF)
- United States, US Exim
- Multilateral, ATI (African Trade Insurance)
SACE Online Channel

• SACE Offer – Products & Services
• ExportPlus – The online Platform
• Online Products & Services
• FAQ
CREDIT INSURANCE
- Supplier Credit
- Civil Works
- L/C cover
- Buyer Credit
- Other insurance products for Banks
- *Multiexport & Global Multimarket*

INVESTMENT PROTECTION
- Foreign Direct Investment

FINANCIAL GUARANTEES
- Investment Financial Guarantee
- **SME Internationalization Guarantee**
- **Short Term Financial Guarantee**
- Working Capital Guarantee
- Financial guarantee on loan issue

SURETY BONDS
- Contractual Guarantee, **Counter-guarantee** and Reinsurance
- Bond & Guarantee for law/duties obligations
- **Construction Risk Insurance**

PRE-UNDERWRITING CONSULTANCY
- Preliminary Opinion

1. Online products in **bold**, SACE BT products in *italics*
ExportPlus – The online platform

Online platform objectives:
- Provide info on Insurance Products
- Speed up info collection / underwriting phase
- Policy issuance
- Facilitate market analysis

Advantages:
- Shorter response time
- Simple product info and consultation
- Email alert for clients
- Online payments via credit card

PRE-UNDERWRITING CONSULTANCY
- CREDIT INSURANCE
- SURETY BONDS
- FINANCIAL GUARANTEES
- INVESTMENT PROTECTION

CORPORATE
- Preliminary Opinion
  - Multi-Risk Plus One
  - Basic online
  - PRI online

BANK
- Preliminary Opinion
  - CreDoc online
  - Surety Policy online
  - SME International Guarantee
  - ST Financial Guarantee
### Preliminary Opinion

Evaluation on: credit rating of the counterparties, transaction’s feasibility, coverage and, when opportune, pricing range for the operation. Pre-paid cards available.

### Key characteristics

<table>
<thead>
<tr>
<th>Risk type</th>
<th>Corporate</th>
<th>Bank</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counterpart at risk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max payment deferment</td>
<td>No limits</td>
<td>No limits</td>
<td>No limits</td>
</tr>
<tr>
<td>Method of issuing</td>
<td>Case-by-case analysis</td>
<td>Automatic or Case-by-case analysis</td>
<td>Case-by-case analysis</td>
</tr>
<tr>
<td>Price</td>
<td></td>
<td></td>
<td>Depending on the risk.</td>
</tr>
</tbody>
</table>

SACE – Global Solutions
Basic online and Plus One are online supplier credit policies to protect foreign sales online, with simplified application form compared to traditional insurance policies.

### Key characteristics

<table>
<thead>
<tr>
<th></th>
<th>Basic online</th>
<th>Plus One</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk type</strong></td>
<td>Credit risk</td>
<td>• Credit Risk</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Pre-shipment cover</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Unfair bond calling</td>
</tr>
<tr>
<td><strong>Counterpart at risk</strong></td>
<td>Corporate or Bank (guarantor)</td>
<td></td>
</tr>
<tr>
<td><strong>Max amount</strong></td>
<td>500,000 €</td>
<td>5 Mln €</td>
</tr>
<tr>
<td><strong>Max payment deferment</strong></td>
<td>36 months</td>
<td>60 months</td>
</tr>
<tr>
<td><strong>Time for preliminary investigation</strong></td>
<td>7 days</td>
<td></td>
</tr>
</tbody>
</table>

### Credit transfer

Simplified online credit transfer without recourse for transferring rights under the insurance to a financial institution.

### Corporate Online Evaluation

Service for obtaining real-time evaluation of foreign corporate for transaction up to 250,000 €.
This product allows banks to cover themselves against the risk of failure to repay documentary credit resulting from confirmation, by a foreign bank\(^1\), of the opening of a documentary credit facility linked to any Italian company export or related activities\(^2\).

The Credit Line policy allows the bank to obtain online insurance cover on the maximum amount requested from several banks (pre-selected by SACE) located in a single country.

### Key characteristics

<table>
<thead>
<tr>
<th>Risk type</th>
<th>Credit Risk - Political and Commercial events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counterpart at risk</td>
<td>Foreign Bank</td>
</tr>
<tr>
<td>Max insurable amount</td>
<td>5 Mln €</td>
</tr>
<tr>
<td>Max payment deferment</td>
<td>60 months</td>
</tr>
<tr>
<td>Time for preliminary investigation</td>
<td>Real-time</td>
</tr>
<tr>
<td>Coverage</td>
<td>Up to 100%</td>
</tr>
</tbody>
</table>

---

\(^1\) Resident in a country other than that of the confirming bank

\(^2\) Supply of services, foreign studies and design activities
Guarantees required to take part in tenders, in Italy and abroad, so as not to lose business opportunities: Bid Bond, Performance Bond, Advance Payment Bond, Maintenance Bond, Money Retention Bond.

**Key characteristics**

<table>
<thead>
<tr>
<th></th>
<th>Performance Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk type</strong></td>
<td>Performance Risk</td>
</tr>
<tr>
<td><strong>Counterpart at risk</strong></td>
<td>Italian enterprises</td>
</tr>
<tr>
<td><strong>Max insurable amount</strong></td>
<td>5 Mln €</td>
</tr>
<tr>
<td><strong>Tenor</strong></td>
<td>Up to 5 years</td>
</tr>
<tr>
<td><strong>Coverage</strong></td>
<td>Up to a maximum of 70% of the bond</td>
</tr>
</tbody>
</table>
Political Risk Insurance (PRI) protects overseas investment against political risk — such as nationalization, embargo or civil disorders — which may cause loss of the invested capital. Insured operations include: equity contribution, financing to foreign owned company, guarantees for financing from third party.

### Key characteristics

<table>
<thead>
<tr>
<th>Risk type</th>
<th>Investment risks¹ — Political events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counterpart at risk</td>
<td>Country</td>
</tr>
<tr>
<td>Max insurable amount</td>
<td>5 Mln €</td>
</tr>
<tr>
<td>Tenor</td>
<td>Up to 10 years</td>
</tr>
<tr>
<td>Coverage</td>
<td>Up to 100%</td>
</tr>
</tbody>
</table>

1) Loss of capital invested abroad and loss of any sums due to the Italian investor in relation to its foreign investment.
SME Internationalization Guarantee

This product guarantees loans financing the internationalization of Italian SMEs (supply of goods and services or the execution of civil works) thanks to the master agreements between SACE and several financial institutions.

Key characteristics

<table>
<thead>
<tr>
<th>Risk type</th>
<th>Credit Risk – Non-repayment of the loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counterpart at risk</td>
<td>Italian enterprises</td>
</tr>
<tr>
<td>Max insurable amount</td>
<td>5 Mln €</td>
</tr>
<tr>
<td>Tenor</td>
<td>Up to 7 years</td>
</tr>
<tr>
<td>Coverage</td>
<td>Up to a maximum of 70% of the loan</td>
</tr>
</tbody>
</table>
This product guarantees loans financing:
1. working capital (raw materials, semi-finished products) relating to export operations;
2. advances on export trade receivables or export contracts;
3. funding related to internationalisation activities.

### Key characteristics

<table>
<thead>
<tr>
<th>Risk type</th>
<th>Credit Risk – Non-repayment of the loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counterpart at risk</td>
<td>Italian enterprises</td>
</tr>
<tr>
<td>Max insurable amount</td>
<td>5 Mln €</td>
</tr>
<tr>
<td>Tenor</td>
<td>From 6 to 18 months</td>
</tr>
<tr>
<td>Coverage</td>
<td>Up to a maximum of 70% of the loan</td>
</tr>
</tbody>
</table>
Welcome to ExportPlus,

a set of online services created to support the presence of Italian Companies abroad.

With ExportPlus, SACE becomes the partner of Italian Companies in their foreign business, granting against non payment risks and enabling an immediate credit liquidity.

ExportPlus supports Italian exporters since the first steps of the commercial contract negotiation, by offering the Preliminary Evaluation service, which is a feasibility analysis of the coverage and an evaluation of the insurance quote. In the following steps of the negotiation, SACE assists exporters by releasing a policy, which also allows the assignment of the insurance cover rights to a financial institution. SACE ExportPlus policy covers up to 100% of credit risks and permits to manage online the whole insurance procedure.

ExportPlus throughout a high level of digitalization sets up a complete transparency of the relationship between SACE and the exporter, thanks to the use of advanced IT tools.

For further information please read the Q&A section or contact our information service by sending an e-mail to info@exportplus.it.
FAQ

- Who’s got access to your on-line systems?
- Do Banks have centralized or decentralized access?
- Does any product entail banks submitting their own credit assessment?
- Is it possible for a bank or an exporter to take out the documents (i.e. guarantee policy, terms and conditions) directly from the on-line system?
- Do you offer any product from your core business outside the system (‘manually’) or are all your products accessible through the online system?
- KYC is important for banks. Have you got any product where you have performed KYC checks on behalf of the banks?
- What are your general experiences with the online system? How has the development in volume, applications etc. been? Have you experienced an increase in interest?
The ‘Export Plus’ Platform has become a major tool for SACE’s clientele, in particular SMEs, to obtain policies and/or preliminary assessments. The results achieved over the years indicate a growing trend: in 2013 over the 60% of transactions approved was processed through the online channel.
As to the response time, the average period necessary for the issuance of a standard Supplier Credit policy with online application is 9 days (compared to 15 days through the traditional channels).

### SACE’s New Guarantees (% online vs. traditional)

<table>
<thead>
<tr>
<th>Year</th>
<th>Traditional Channel</th>
<th>Online Channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>2012</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>2013</td>
<td>39%</td>
<td>61%</td>
</tr>
</tbody>
</table>

### 2013 New Guarantees by Product (% online channel only)

- Supplier Credit: 38%
- L/C Confirmation: 4%
- Surety Bond: 7%
- SMEs Internationalization Guarantee: 52%

An important tool for Italian SMEs: SACE’s Internationalization Guarantee

SACE’s guarantee for internationalization of SMEs aims at guaranteeing banks for loans granted to SMEs for their internationalization purposes. This product addresses in specific the target of facilitating SME access to financing. Such financial guarantee is also available for large corporates (e.g. in case of M&As, research and development investments).
Export Plus results

Since the introduction of Export Plus more than 4500 requests have been forwarded to the system and 2831 have been finalized.
Training and Advisory
Training and Advisory Services

Global Solutions

Global Solutions is a SACE’s dedicated service, providing advisory and training programs aimed at transferring own experience and know how to ECAs, ministries and financial institutions.

Advisory SMEs

Italian businesses can count on SACE’s consultancy services in every stage of their internationalisation project: from planning to assessing opportunities and risks, to realisation, management and monitoring of activities.

Since 2004, SACE has provided Training and Advisory services through a dedicated structure in order to transfer experience and know-how. The activities have been recently enhanced and widened as to address:

- **ECAs, Banks, Financial Institutions and Multilaterals**: sharing best practices and know how enhances mutual understanding and facilitates cooperation.

- **Italian companies** – with a focus on SMEs – in their internationalization process: SACE acts as a partner and assists SMEs in their growth on international markets, hence its support goes beyond the product offer.
### Advisory SME: Kenya project on dairy and meat chain

#### Key Project in a strategic sector

- **Creation of a 25 M€ integrated dairy farm** “from feed to cheese”
- **State of the art technologies allow 10X productivity increase** vs Country average

#### Attractive Financial Structure

- **100% financed** through an Italian Bank + only land as equity provision
- **Transaction backed by State Guarantee 100% counter guaranteed by SACE**
- **Payback period ~7 years**

#### Benefits for all stakeholders involved

- The investment contributes to **fill the current gap in milk production** vs domestic demand
- Through the involvement (as buyer) of a leading University, Kenyan authorities make a **long term investment in know how in the sector**, and are currently considering similar projects in other Regions
- **Also local farmers** can benefit from the infrastructure and know how
Advisory SME: Kenya project financing structure
Our Promotion: SACE on media
Promotion: SACE on the press

In 2015 SACE exposure on newspaper, TV and radio programs increase by 18% on yearly basis.

Number of articles, TV and radio interviews

1,939  + 18%

536  Articles entirely dedicated to SACE

+ 57%  National press
+ 33%  Local press
+ 5%  Radio and TV
Promotion: SACE online and on stage

User of the new SACE website launched in 2014 (+36%)

In 2014 SACE gave voice to 200 clients through interviews, video, press release and tombstone

Email to the clients

Web ranking Award for SACE website and lunch of the new APP

Clients

Press release 138
Tombstone 85
Interviews 49
Video Interviews 8
Export Opportunity Index
SACE’s Export Opportunity Index

Export Map

Discover the map of opportunities for Italian exports through the SACE Export Opportunity Index. The index is calculated on a scale of 0 to 100 (where 100 is the highest). For the methodology, click here.

Want to learn more about a specific country?
Select

Want to discover how Italian exports went in 2014 and in the near future?
SACE’s Export Opportunity Index – Saudi Arabia

- Export Opportunity Index: 85/100
- Market for Italian exports
- Italian exports (values in €, % change):
  - 2013: +10.9% (4.5 bn)
  - 2014: +7.6% (4.8 bn)
  - 2015f: +4.0% (5.0 bn)
  - 2016f: +4.0% (5.2 bn)
  - 2017f: +5.3% (5.5 bn)
  - 2018f: +6.1% (5.8 bn)
- Potential increase in Italian exports by 2018 (£):
  - Italy: 3.3 %
  - France: 2.8 %
  - Germany: 7.2 %
  - Spain: 1.2 %
- Ranking in the target market: 18°
- Comparison with peers
- Prevision on the export in 13 sectors
SACE’s Export Opportunity Index – Egypt

**EGYPT**

- **Capital**: Cairo
- **Population (millions)**: 88.434
- **Nominal GDP (USD bll, PPP)**: 995.969
- **GDP per capita (USD, PPP)**: 11,262.284

Would you like to export or invest in the country?

**Ask for a credit opinion**
or select country

**Contact us**

---

**Italian exports**
(values in €, % change)

- **2013**: 2.8 bn
- **2014**: 2.8 bn
- **2015f**: 3.0 bn
- **2016f**: 3.1 bn
- **2017f**: 3.3 bn
- **2018f**: 3.4 bn

**Market for Italian exports**

**Export market shares of Italy and its peers**

- **Italy**: 4.6%
- **France**: 3.0%
- **Germany**: 7.8%
- **Spain**: 2.1%
SACE’s Export Opportunity Index – Algeria

**ALGERIA**

- **Capital**: Algiers
- **Population (millions)**: 40.290
- **Nominal GDP (USD bil, PPP)**: 570,638
- **GDP per capita (USD, PPP)**: 14,163,274

Would you like to export or invest in the country?

Ask for a credit opinion or select country

Contact us

**Export opportunity index**

- **Value**: 76/100

**Market for Italian exports**

- **Degree**: 21°

**Italian exports (values in €, % change)**

- **2013**: +12.7%
- **2014**: +1.2%
- **2015**: +3.9%
- **2016**: +6.8%
- **2017**: +6.3%
- **2018**: +6.1%

**Export market shares of Italy and its peers**

- **Italy**: 10.3%
- **France**: 11.4%
- **Germany**: 5.2%
- **Spain**: 9.3%
SACE’s Export Opportunity Index – Criteria

The index is calculated by weighing four variables:

- **Total value of (Italian) export to the Country**
- **Average growth rate of (Italian) exports to the country (2011-2018f)**
- **Diversification / concentration of the country's imports**
- **Share of the country's imports from Italy**
Let’s discuss

- It is important to diversify the distribution channels
- SACE business model approach focuses on direct contact with the client through domestic and international offices
- The utilisation of online channels allow the ECA to interact with potential clients saving time and increasing efficiency
- Sharing know how and experience through advisory services.
- Promote your business and your clients using dedicated tools.
- SACE developed an Export Opportunity Index methodology and export map with the aim to discover opportunities for Italian exports.
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>CRM – Customer Relationship Management</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Defining the target</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Who’s the customer for an ECA</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>SACE’s Approach</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Distribution channels and Promotion</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Our experience on the ground</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Risk assessment</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Relation with the client</td>
</tr>
</tbody>
</table>
Focus on MENA Region
SACE Dubai Office

SACE opened in February 2016 a new office in Dubai which is evaluating over €5 billion of new projects and will act as the company hub for Middle Eastern and North African markets.

“Closely overseeing this area is indispensable today and strategic for the future”
Most of SACE’s total exposure towards the Middle East and North Africa* is concentrated in the Gulf countries: Qatar, Oman, Saudi Arabia and UAE (65%). Egypt and Iran are markedly increasing their role within SACE portfolio.

In 2015, SACE approved 190 new guarantees to support export of goods and services to the MENA region amounting to EUR 2.8 bln. Out of these transactions, the majority is linked to contracts closed by SMEs (with an average size of less than EUR 1 million).

SACE is currently evaluating additional projects for a total amount of more than EUR 5 billion in the region.

* Middle East and North Africa include Algeria; Bahrain; UAE; Egypt; Iran; Kuwait; Libya; Morocco; Oman; Pakistan; Qatar; Saudi Arabia; Tunisia; Yemen
SACE’s strategy in the Middle East and North Africa

- MENA Region represents a strategic market for SACE with growing counter-trade and investments directed from and to Italy.

- **Ansaldo Energia**
  - €210 mln Guarantee
  - Improvement of power generation capacity of the "6 October" site
  - 2014 Egypt

- **Qatar Petroleum - Barzan**
  - USD 355 mln Guarantee
  - Gas extraction, processing and retail by Italian suppliers
  - 2011 Qatar

- **GHC**
  - USD 500 mln Guarantee
  - Steelmaking plant with Danieli equipment
  - 2010 United Arab Emirates

- **ASTALDI**
  - €50 mln Guarantee
  - Rail road construction
  - 2013 Algeria

- **PIACENTINI COSTRUZIONI**
  - €13.7 mln Surety Bond
  - Zuwara harbour renovation and maintenance
  - 2013 Libya

- **PROGER**
  - €6 mln Guarantee
  - Review & supervision of engineering projects
  - 2013 Saudi Arabia

- **PIZZAROTTI**
  - €10 mln Surety Bond
  - Hospital construction
  - 2013 Kuwait
GCC: different markets, multiple opportunities

GCC represent a global hub for trade between Asia, Europe, Africa and North America

Ernst & Young’s Rapid-Growth Markets Forecast

- The UAE are emerging as global economies and in the last 10 years doubled their contribution to the global GDP
- UAE economic growth projection in the next years will exceed 4% (source IMF) and will be higher than the one in the Eurozone
- The UAE represent attractive FDI destinations thanks to an improving business climate. According to World Bank *Ease of Doing Business* and World Economic Forum *Global Competitiveness Report*, United Arab Emirates climbed to the top ranking positions
- The Emirates’ traditional strengths of well-developed infrastructure, cross-border initiatives, long term strategies, and ease of doing business offers international investors easy access to many of the world’s fastest-growing markets
North Africa: hot topics and evergrowing occasions

- After an economic slowdown that affected the area in the latest years, an improvement is expected by 2017 with a growth rate of 3-3.5%

- In 2014 Italy exported goods and services in North Africa for 14 Bn Euro. Future opportunities may emerge from mechanical engineering, refining, heavy infrastructures and defense sectors

- Moroccan stability - as important hub to reach the Sub-Saharan Africa - Algerian diversification, Egypt’s revival and the Tunisian democratization path represent hot topics for the coming years
Let’s discuss

- A constant introspection and market analysis are successful keys in order to be competitive
- Analyze the banking market
- Analyze the private sector scenario
- Nothing can substitute an ‘on the ground’ presence
Overview

1. CRM – Customer Relationship Management
2. Defining the target
3. Who’s the customer for an ECA
4. SACE’s Approach
5. Distribution channels and Promotion
6. Our experience on the ground
7. Risk assessment
8. Relation with the client
1° Meeting – usefull information

✓ Turnover (YTD and history)
✓ Employees (YTD and history)
✓ Date of establishment
✓ Basic information on ownership, management, experience
✓ Nature of the company (family owned company, listed)
✓ Target markets
Since SACE products range is so diversified the initial step is identifying where the credit risk is and who is the main financial source for debt repayment.

Debtor can vary also in relation to the complexity of the transaction structure:

- Guarantor
- Major client (concentration risk)
- Suppliers
- Group lending (shareholder, parent, major subsidiary)
- Commercial agreements i.e. take or pay contracts
- Others
Qualitative assessment

Operating and industry risk can affect the borrower business. To properly consider all the different aspects, we normally look at the following critical elements:

- **Sovereign / Macro**
  - economic, political / country risk, legislative and regulatory risk

- **Market / Industries**
  - Industry cyclicality, sector regulation

- **Management**
  - Quality, stability, if well known, experienced, skilled

- **Company**
  - Vertical integration, market share, business diversification
  - Years in business, products (quality, prices, image, distribution)
  - Client base, (quality, prices, image, distribution)

  +

- **Company’s reputation**
  - market, other ECAs

- **Payment track record**
  - official information providers normally signal if the borrower has experienced any payment irregularity

- **Sace experience**
  - if the company is a client we give strong importance to the previous payments history
Quantitative assessment – Data collection

- Directors’ Report
- Auditor’s report
- Profit & Loss
- Balance sheet
- Cash flow statement
- Notes to the accounts

In other words, the most up to date annual report:
  i) compliant with IFRS
  ii) certified by auditors

However...

Other essential documentation in the credit package:
- The insurance application request from the exporter
- Info providers (D&B, Creditreform, Lince, Honyvem, etc…)
- Bank or third party due diligence
- Exporter details and financials
- Others (independent studies, previous transaction with the same borrower etc…)

... we often deal with poor and limited information

... support of local branches and institutions is essential (Embassies / ICE Offices / other ECAs, Banks)
The internal process

- **Request**
  - Preliminary assessment
  - Official request for guarantee
  - Other (meetings, visits, marketing)

- **Exchange info**
  - Understanding the transaction
  - Meeting and brainstorming with underwriting people
  - Data collection

- **Credit analysis**
  - Business risk
  - Financial risk
  - KYC

- **Credit Committee**
  - Discussion in internal committee
  - Approval/Refusal
  - Changes to structure / parties

- **Phase 1**
- **Phase 2**
- **Phase 3**
- **Phase 4**

Circular exchange of info between commercial and risk divisions
Know Your Customer Procedure

**Reputational database:** from 2012 SACE has been engaged a check procedure on the relevant reputational databases about counterparties (i.e. insured banks, exporters, debtors, guarantors, beneficiaries, and sponsors, as appropriate) on IFI debarment lists.

SACE structure conducts an enhanced **due diligence on the transaction** if the databases reveal that a SACE insured party or exporter has been convicted or subject to any measures or there is reason to believe that bribery may be involved in the transaction.

If due diligence process reveals **evidence of a violation of international laws** against bribery of foreign public officials, the Litigation Department is informed thereof and evaluates whether to report to the law enforcement authorities. If it is proven that bribery was involved, the relevant SACE structure informs the Litigation Department thereof and the Litigation Department immediately informs the law enforcement authorities.
Let’s discuss

- Debtor can vary in relation to the complexity of the transaction structure so the initial step is to identify where the risk is
- Quantitative and qualitative assessment: ratio analysis
- Take in count the reputational risk and evaluate your counterparties
Overview

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“If the strategy is wrong, the situation does not improve by increasing resources and troops”

Carl von Clausewitz
Relationship with the client: main steps

1. **First approach to the client**
   Instill confidence in the customer to share info/strategic choices.
   
   Become the main partner for the customer's business.
   Help the client understanding the diversification/portfolio balance in a sustainable relationship view.

2. **Is the product fit?**
   Understanding of the specific economic-financial-political environment, and of the main features of the contract offered to the client.
   Analytics ability to face a wide variety of operations, together with accounting knowledge…Keep in mind: we are buying risk!
Relationship with the client: main steps

3 360° assistance
Provide support in case of contract changes, legal issue, restructuring, recovery tools, etc..

4 Taking care of the relationship

- Managing the relationship after the acquisition to provide continuity
- Arrange periodical meetings according to potential business volume
How to improve the relationship with clients

It represents the highest point of the relation: the supplier became a valuable partner. The relation is based on trust.

For the client is a supplier with an added value to his business. The focus is moving from the price to the solution of the problem and contribution to success.

Is also a supplier but the client recognize a differential utility. The focus still remain on the price.

For the client represents a simple supplier. The price is the only drive.
The relation with client: guidelines

- Find the right approach
- Be in the right place
- Be supportive
- Be innovative
- Talk/listen
- Decision maker
- Be fast and effective
1. Be in the right place, at the right moment

- Cibus is one of the biggest food and beverage exhibition in Italy

- In that occasion it is very difficult to organizing dedicated meeting with top producers

- Attending the event, the Head of Verona office had the opportunity to meet the Chief Financial Officer of the biggest Italian beverage producer company (EUR 600 M turnover)

- In one day a EUR 10 M deal was originated (guarantee for internationalisation)
2. Be supportive

- Being supportive is one of the most effective way to start the relation with client

- In certain cases our Relation Managers attend the negotiations between the exporter and the buyer

- It can be also useful to support the client when there is not a direct interest for SACE

- The ECA could also help the client in providing information about possible business partner (through KYC procedure) and consequently in the business matching process with foreign clients.
3. Find the right approach

✓ SACE wanted to approach a sound and well-reputed company in Sicily producing high quality olive oil

✓ For our Relation Manager it was almost impossible to obtain a meeting with the owner (an old nobleman)

✓ In occasion of the opening of Palermo Office, he decided to invite the owner as a speaker in the event

✓ The invitation was really appreciated and during the year SACE BT was able to finalize a short-term cover and SACE Spa is currently finalizing a guarantee for internationalisation
4. Be talkactive but also able to listen to

✓ Most of the times business opportunities come out unpredictably chatting with people

✓ But it is fundamental to be able to listen to and understand the customer needs

✓ A long term relationship with an important client was created in South Africa just chatting in a cafe.
5. Be fast and effective

- A new potential client signaled a business opportunity with a buyer from Chile to be quickly finalized

- The info provided on the counterpart were not sufficient to have a positive evaluation

- San Paulo Office was involved. During a business visit in Chile SACE Representative was able to collect further information on the company

- The deal was finalized but the Italian Bank was delaying the approval for discounting the PNs

- The Relation Manager involved SACE FTC that made an effort for being fast in approving the transaction
6. Looking for the decision maker

- The origination activity could be useless if you do not meet the decision maker of the company.

- In the Italian SMEs the decision maker is usually the owner who personally manage the company.

- However all the times you meet new potential clients it is important to understand if the person in front of you is able to understand the products (and the benefits) and if he has the power to take the decision.
7. Be innovative (not with everyone)

<table>
<thead>
<tr>
<th>Country</th>
<th>Chile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counterpart</td>
<td>Agency for Railways (Sub-sovereign)</td>
</tr>
<tr>
<td>Supply</td>
<td>Construction works</td>
</tr>
<tr>
<td>Contract Amount</td>
<td>euro 1,33 B</td>
</tr>
<tr>
<td>Construction period</td>
<td>3 year + 8 months</td>
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<tr>
<td>Payment tenor</td>
<td>30 days (180 days in the policy)</td>
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<tr>
<td>Max Insured Amount</td>
<td>euro 50 M</td>
</tr>
<tr>
<td>Insured risk</td>
<td>Credit – (cover: 100%)</td>
</tr>
<tr>
<td>Additional info</td>
<td>§ The Client wanted to discount the invoices related to each milestone</td>
</tr>
<tr>
<td></td>
<td>§ The discount was supposed to be silent</td>
</tr>
</tbody>
</table>
Time-management

Facilitate the activities of the colleagues in the next step of the product chain

Reconsider your opinions

Give feedback to the client after the meeting

Client’s competitors are potential new clients

Take advantage of all the sources available
How the customer explained
How the project leader understood it
How the engineer designed it
How the programmer wrote it
How the sales executives described it

How the project was documented
What operations installed
How the customer was billed
How the helpdesk supported it
What the customer really needed
This is the end!

Thank you for your attention!
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