

Argos Risk generates business returns with method-based risk management



Argos Risk blends credit information, economic data and advanced analytics to highlight business risks.

Executive Overview

Client Profile

Argos Risk, headquartered in Minneapolis, MN, was formed in collaboration with asset and invoice-based lender, PrinSource Capital Companies. Its mission is to obtain, organize and analyze business information, making it accessible to all Subscribers—displaying actionable, easy-to-digest, relevant risk information at an affordable monthly cost. www.argosrisk.com

Business Objectives

Provide an easier, more affordable way for businesses to successfully manage risk by:

- Generating customer risk profiles and recommended actions to help make credit lending decisions and focus selling efforts.
- Providing insight into supplier financial positions to ensure long-term stability and avoid disruption in supply chain and manufacturing processes.
- Gaining insight into the financial health of competitors, proactively identifying potential risks or new opportunities to be exploited.

Strategy

In today's unforgiving economy, one of the perils of doing business is not knowing who you can rely upon when conducting commerce. Whether it's a customer who cannot make a payment, a supplier who cannot deliver critical materials, or a potentially insolvent business partner – the wrong choice could determine the difference between survival or success.

The insight required to avoid these perils and successfully focus operations offers exceptional business value, especially for organizations that don't possess sophisticated risk management capabilities. Argos Risk Online delivers an innovative, subscription-based solution that provides highly advanced and tailored risk-based intelligence directly to the desktop, combining external credit and economic information.

Business Value Outcomes

For a typical mid-market company with \$75 million in annual revenue, Argos Risk Online generates an estimated \$855,000 in business value through savings, cost avoidance, and streamlined operations.

Revenue Cycle	Sales and Strategy	Payment Cycle
Credit resource management \$254,000	Prospect evaluation \$72,000	Supplier credit management \$125,000
Accounts receivable management \$196,000	Sales process staffing \$88,000	Accounts payable management \$20,000
	Strategic opportunities \$100,000	
	Net Business Value Outcome \$855,000	



“Our experience is that a typical customer can save hundreds of thousands of dollars annually—or more—through greater operating efficiencies and by better managing their credit risks.”

– Steve Foster, President and CEO, Argos Risk LLC

“One bad credit decision can significantly impact a company’s financial health. Argos Risk provides the information to help minimize ever having to face that outcome.”

– Jeff Houdek, Chief Financial Officer, Argos Risk LLC

Deeper Insight

Argos Risk Online generates significant business value across all the functional areas impacted by risk management including the revenue cycle, the payment cycle and strategic decision-making. This value extends even further for small or midsized companies that are not currently staffing the positions required to perform and optimize these functional areas. It offers a distinct advantage to subscribers because it requires no training, long-term commitment or new investment in staff or infrastructure.

In practice, Argos Risk Online provides a web-based dashboard that delivers daily risk assessments and recommended best actions for minimizing risk and maximizing revenue. It uses easy-to-understand green, yellow or red “traffic light” signals to determine the current financial status of customers, suppliers, competitors and even the subscriber company itself. Subscribers also enjoy access to sophisticated risk-based intelligence capabilities including reports, alerts and “what-if” scenario analysis.

Companies who subscribe to Argos Risk Online gain an unprecedented capacity to successfully manage risk in functional areas that include:

- **Credit resource management** – Standardizes the customer credit limit process and reduces the time and expense for credit underwriting, credit reference validation and credit application processing along with faster, more effective use of credit and collection resources.
- **Accounts receivable management** – Reduces Days Sales Outstanding (DSO), prioritizes and optimizes customer payment schedules, alerts staff before customer payment problems occur and reduces uncollectable write-offs by up to 25%.
- **Prospect evaluation** – Determines which customers will add the most value to the business and which may be at risk of defaulting on future payments.
- **Sales process staffing** – Determines if sales staff are spending too much time with the “wrong” customers and how to realize new sales opportunities with the “right” customers, based on their risk profiles.
- **Supplier Management** – Evaluates the financial status of suppliers, how they pay their vendors and provides insight for allocating purchases to the healthiest supplier.
- **Accounts payable management** – Optimizes supplier payments by using the supplier’s own payment history to “stretch” payables.
- **Strategic opportunities** – Accelerates and improves the ability to act on new opportunities by understanding market risks, competitors’ financial health and potential business vulnerabilities.

Best Practices

- Real-time access to up-to-the-minute risk assessments of key customers, suppliers and competitors leading to superior credit decisions.
 - Expanding insight beyond Finance and into the hands of the business, driven by fact-based information and analytics
 - Helping sales teams target high-value, lower-risk customers.
 - Giving manufacturing teams confidence that their suppliers will provide key components as promised.
 - A means for marketing teams to assess key competitors—for imminent risks or looming opportunities.
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“It’s not just a snapshot of a customer or a vendor’s payment status. Our people like the simplicity of the dashboard and how it works. It’s a good way to quickly get a feel for someone’s payment habits. It’s helped our people document the managed risk that we’re taking.”

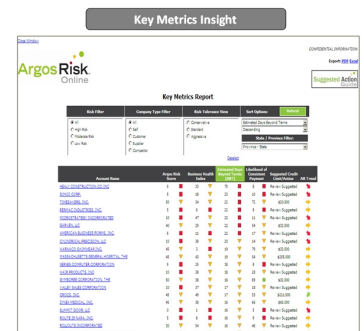
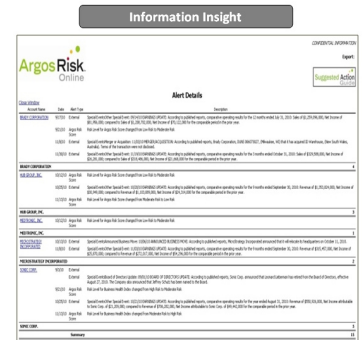
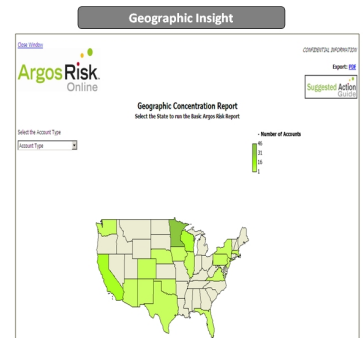
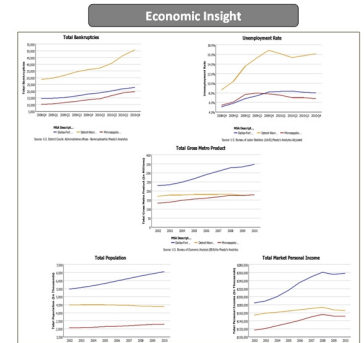
– Brad Krohn, CEO, The Business Bank in Minnesota

Solution Review

Argos Risk Online is available to any business user via the Internet. In real time, the IBM Cognos 10 solution provides analytics everyone can use to build a personalized database that monitors the companies designated by the subscriber. The business user views key metrics indicators, has the ability to do on-the-fly analytics, and is presented with business, economic, industry, and geographic insight across the portfolio. The user is guided with tailored prompts throughout the system. Enhanced capabilities include “what-if” scenario modeling, summary/drill through analysis, and executive presentation in report books. Individual preferences are combined with external credit information from Dun & Bradstreet and economic information from Moody’s Analytics

On a real-time basis, the solution monitors the pulse of the business for the companies designated by the subscriber. When a significant business event such as bankruptcy, judgment, acquisition or divestiture occurs or a monitored company’s ArgosRisk Score changes, instantaneous e-mail alerts are triggered notifying the subscriber.

Argos Risk Online utilizes the IBM Cognos 10 64-bit environment running in the cloud for the broad range of information delivery and presentation capabilities. The dynamic, interactive dashboard and reporting solution encompasses enhanced visualization, event alerts, integrated security, email report delivery, dimensionally modeled relational (DMR) data, and conditional formatting. The integrated, flexible environment has enabled Argos Risk to be agile and nimble throughout the process from prototyping through development and delivery.



The screenshot shows the main dashboard of ArgosRisk Online. It features a navigation bar with 'My Dashboard', 'My Watchlist', 'My Profile', and 'Support'. The main content area is divided into several sections: 'My Reports' (Key Metrics Report, Economic Trend Report, Geographic Concentration Report, Individual Account Report, Industry Analysis Report, ArgosRisk Guide), 'Alerts' (Monitored of Business, 3/23/2011, Monitored of Business, 3/21/2011), 'All Portfolio Risk' (Business Health Index, Enlarge Chart), 'All Accounts by Risk Group' (Pie chart showing risk levels: Low Risk, Moderate Risk, High Risk), and 'Suggested Action Guide' (AR Subscriber Guide). A 'LIVE CHAT' button is also visible in the top right corner.



“The Cognos 10 upgrade was seamless and readily supported the existing application. We upgraded to take advantage of the enhanced visualization, scalability of the 64-bit environment, and to position us for future integration of new Cognos 10 capabilities”

– Jim Plantan, Partner, eCapital Advisors LLC

About eCapital Advisors

eCapital Advisors LLC, headquartered in Minneapolis, MN, is a management consulting firm specializing in Business Analytics solutions. These solutions include software and services designed to empower the business user with real-time budgeting, forecasting, predictive analytics, and reporting. These powerful tools provide comprehensive, real-time views of performance that facilitate decision-making to improve efficiency and increase profitability.

eCapital Advisors has IBM Cognos-certified professionals on staff with a combined total of over 180 years of consulting and industry experience. eCapital Advisors has been engaged on projects across a variety of industries including Manufacturing, Health Care, Retail, Higher Education and Financial Services..

Using the proprietary eCapital Advisors Methodology, consultants quickly assess, design and implement business analytic solutions. eCapital Advisors has a continuously growing client base of over 200 leading firms now successfully using applications included in the IBM Business Analytics Suite of Products. For more information go to: www.ecapitaladvisors.com

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