



# Credit and Financing for Net Markets

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*The Role of Online Credit and  
Financing in Driving up Transaction  
Success Rates*

IBM Webinar  
Kelly Cundiff  
Director of Market Strategy  
eCredit.com

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# eCredit.com: Filling the Online Credit and Financing Void

- “Trade finance automation will revolutionize point of sale payment and financing of B2B and large B2C transactions that require financing. The slow, paper-laden, human-judgment-ridden process of trade finance is about to be turned on its head.” *JP Morgan-7/00 E-Finance Industry Analysis Report*
- “By 1Q01, e-marketplaces that aggregate buyers and suppliers without providing value-added services, such as credit and financing services with other domain marketplace expertise, will be unable to justify continued transaction- and subscription-based revenue (0.8 probability).” *4/00 Gartner Group*
- “eCredit.com fills a critical B-to-B e-commerce void. As online trading venues continue to expand, they will turn to solutions like eCredit.com because: net marketplaces need instant credit, credit requires specialization, and instant credit serves up new business opportunities.” *12/99 Forrester Research Inc.*

## eCredit.com Offerings



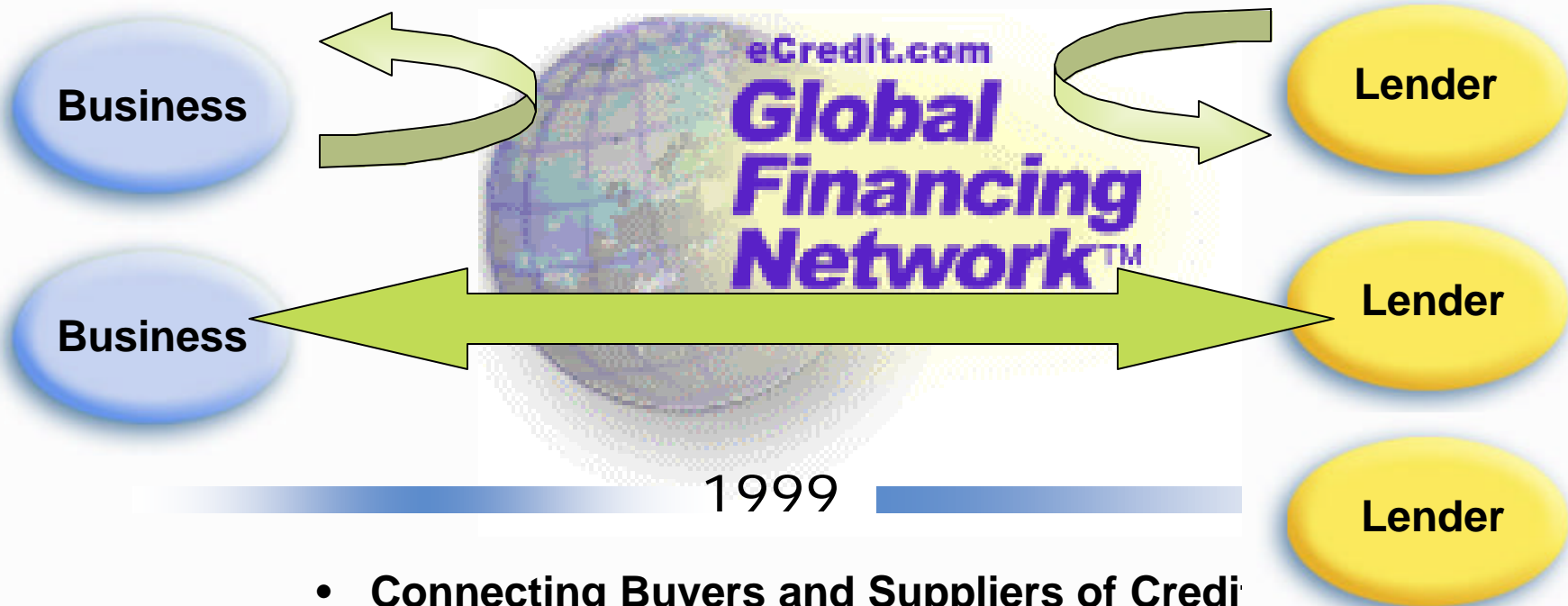
1993

1995

- In-Depth Financial Analysis for Trade Credit Underwriting
  - DecisionDesktop
- Trade Credit Process Automation
  - InstantDecision
- Collections Productivity Tools
  - RapidCollect

- Financial Services Analytics and Decisioning
- Financial Services Process Automation

## eCredit.com Offerings



- Connecting Buyers and Suppliers of Credit and Financing On-line
  - FastFinance
- Both Business and Lender Financial Analysis and Process Automation Tools to improve underwriting
- Continue to Offer in depth financial analysis tools and collections tools

# Customer Base

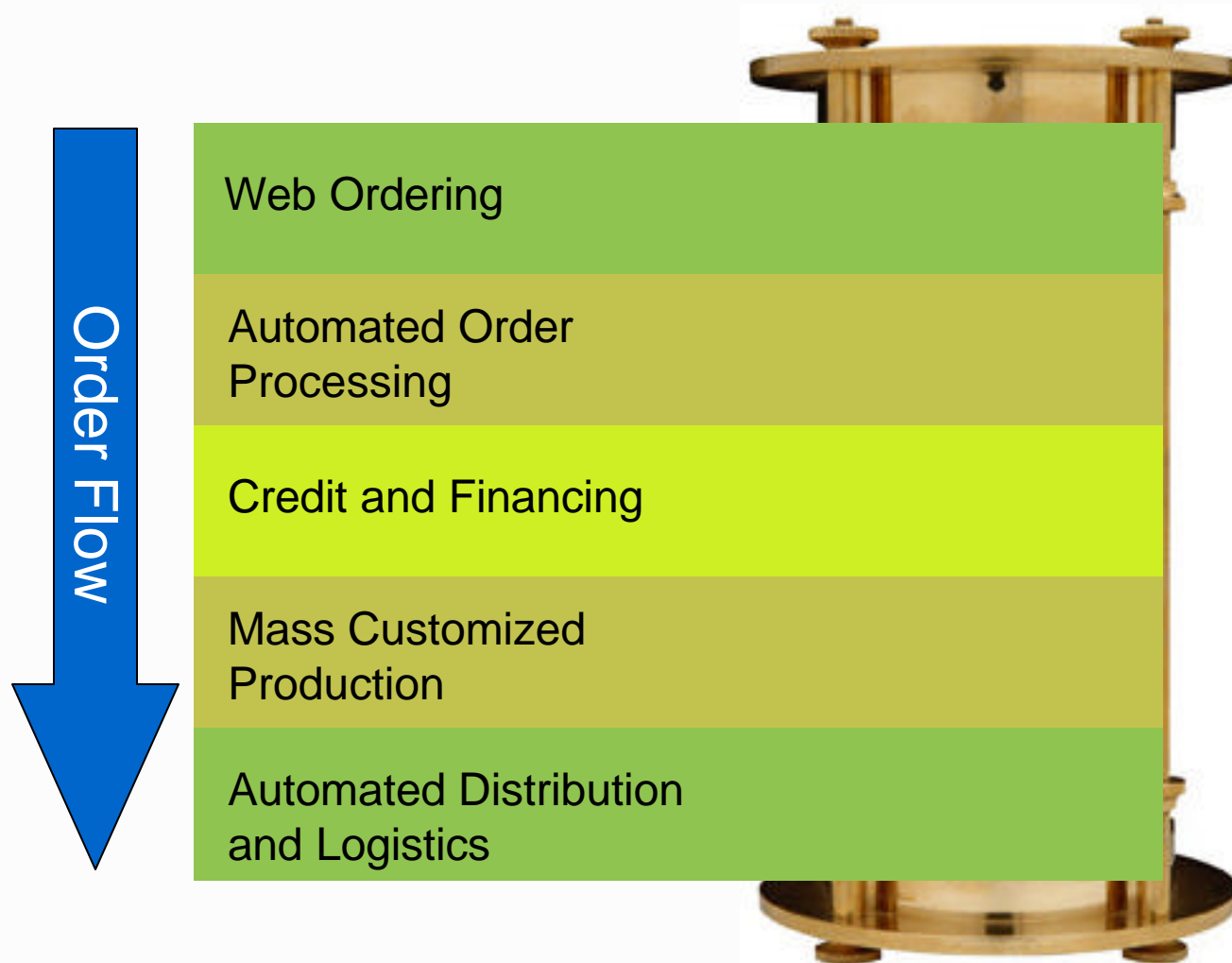


AEP: America's Energy Partner™





# eBusiness Credit and Financing Bottleneck



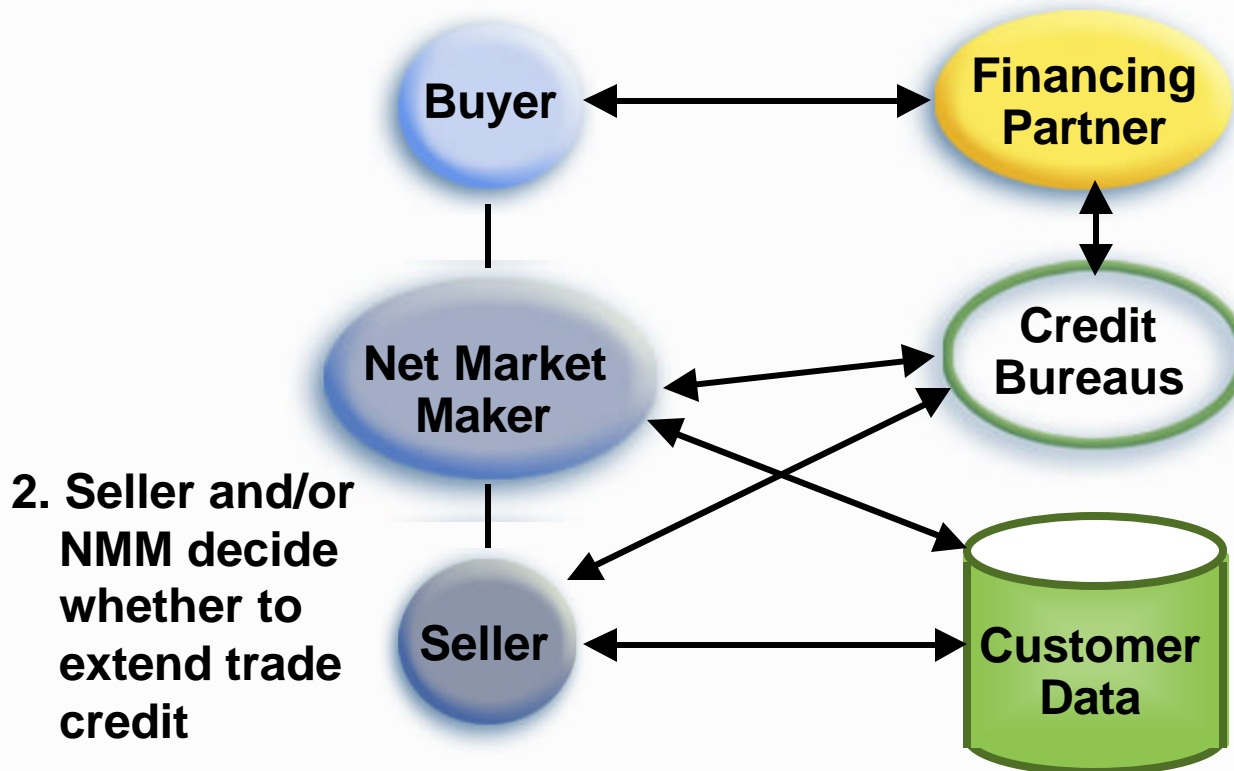
# Credit and Financing in Net Markets

1. Buyer and seller meet and agree to a transaction

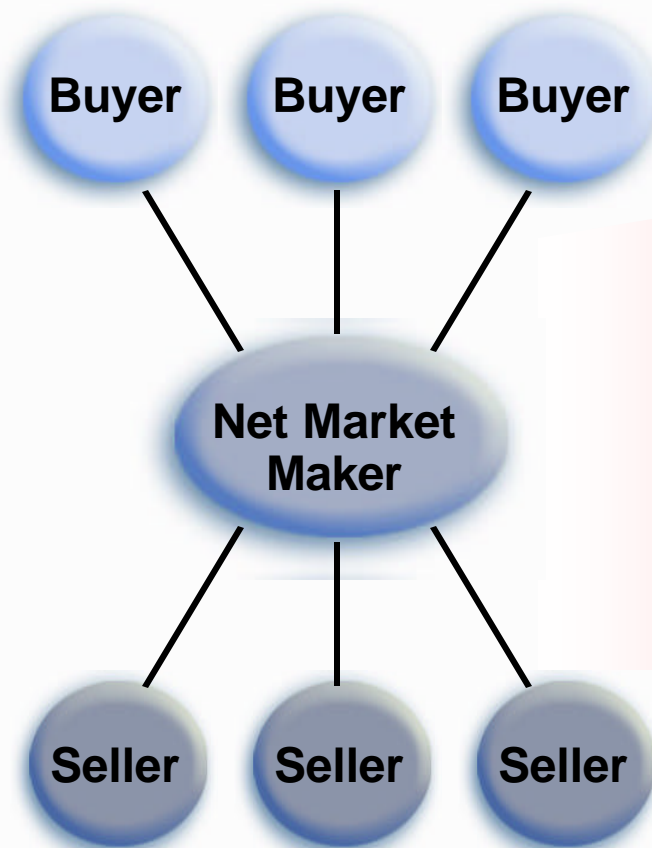
3. (If Seller & NMM don't extend trade credit) Buyer submits an application to a financing partner

4. Financing partner analyzes the application and approves financing

5. If the credit or financing is approved, the seller and the buyer complete the transaction



# Credit and Financing Challenges



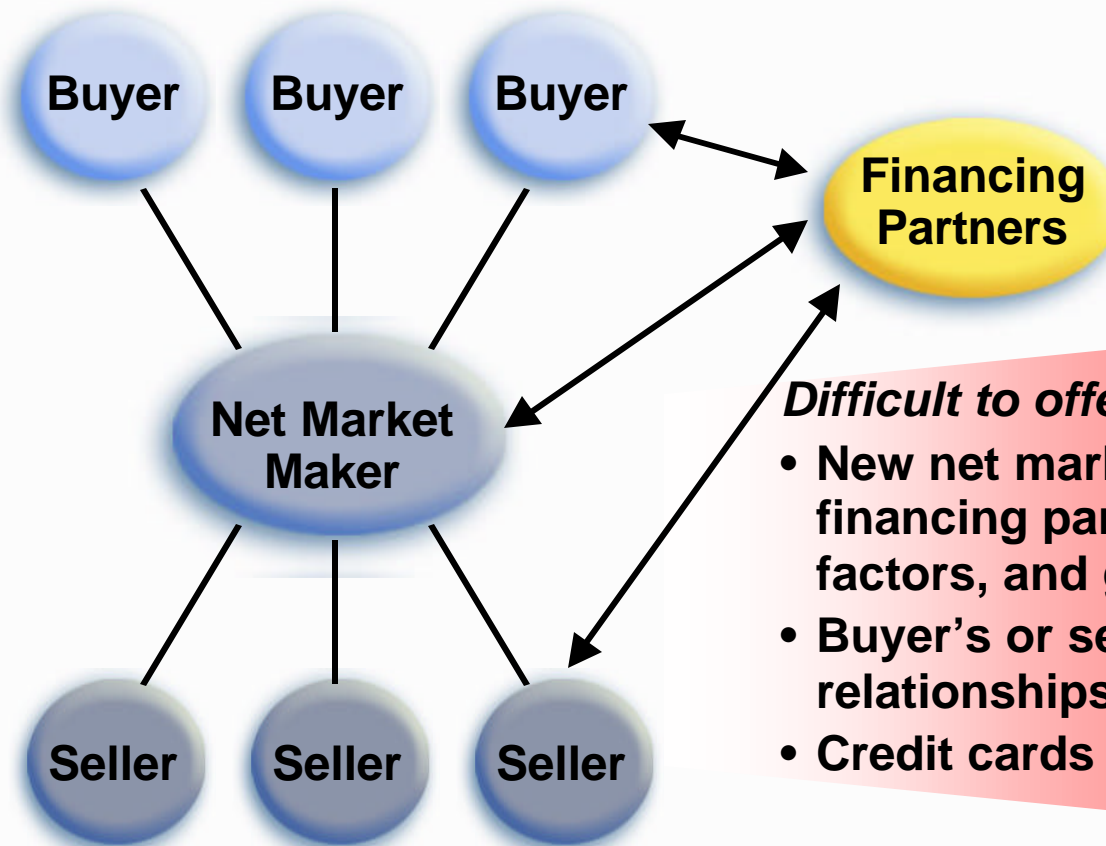
## ***Trade credit is difficult to manage:***

- **Bad debt or delinquency risk difficult to assess**
- **Manual paper-intensive process won't scale easily or quickly**
- **Sellers may not want to extend trade credit to unfamiliar companies (but buyers want to buy that way)**
- **Carrying a large AR balance is a significant cost**



# Credit and Financing Challenges

## *Credit and Financing Expensive or Inconvenient*

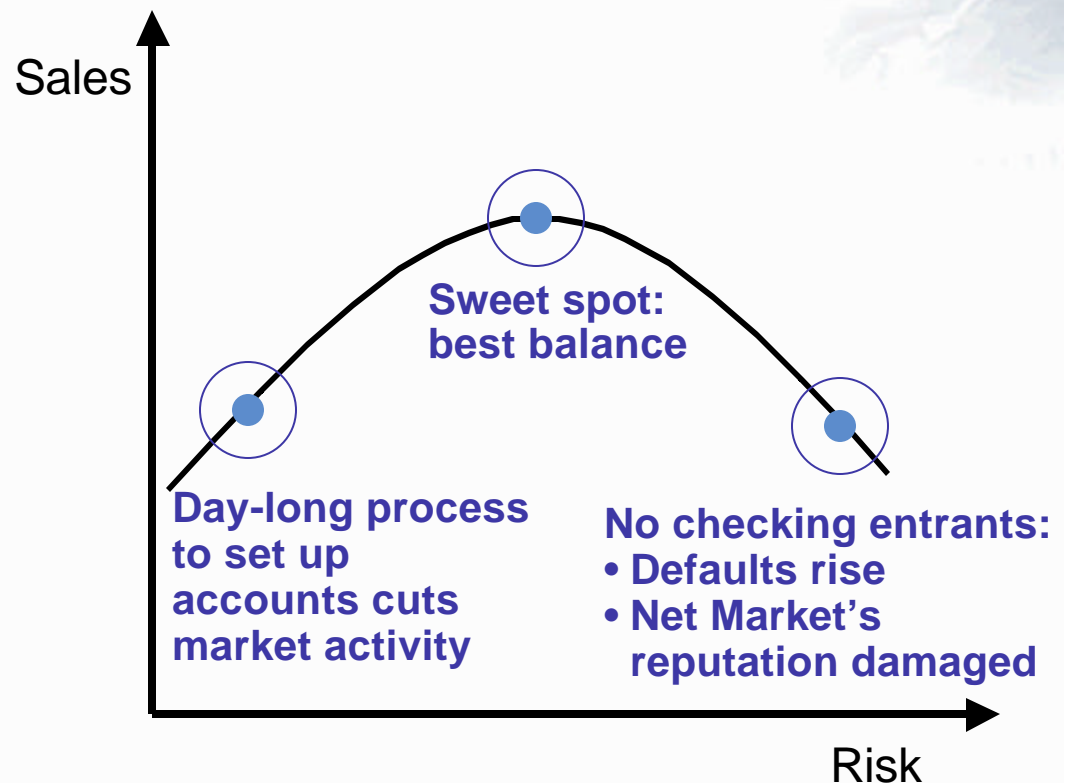
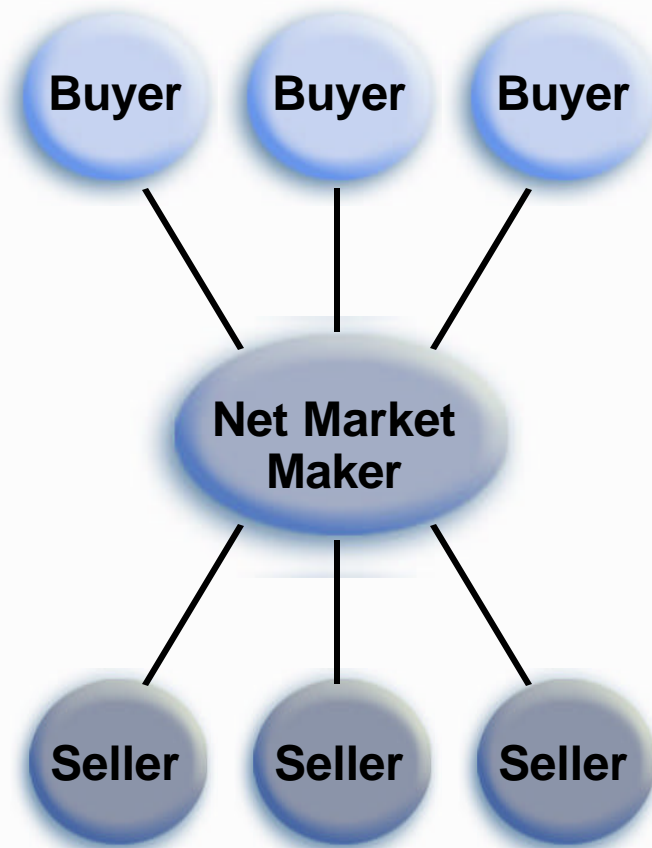


### *Difficult to offer good financing solutions*

- New net markets have difficulty lining up financing partners for all risk levels, form factors, and geographies
- Buyer's or seller's financing relationships may not be appropriate
- Credit cards are large cost for seller

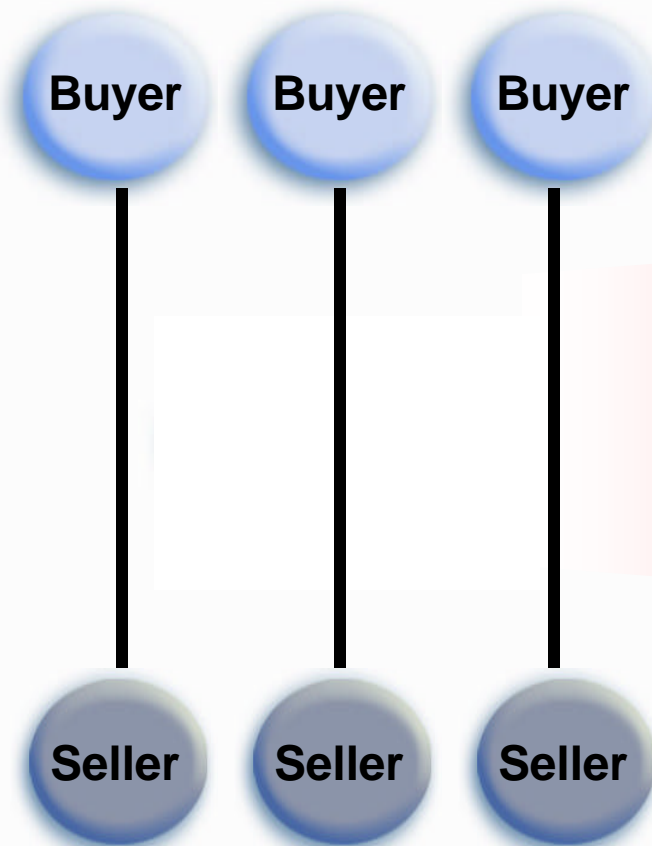
# Credit and Financing Challenges

*Managing Risk is a Continuing Challenge*



# Credit and Financing Challenges

***Lack of Credit and Financing Can Kill Transactions***



***Transactions not completed***

- Credit and financing not available
- Wrong type of financing offered
- Slow process frustrating

***Customers go outside market to buy***

# Introducing the Global Financing Network

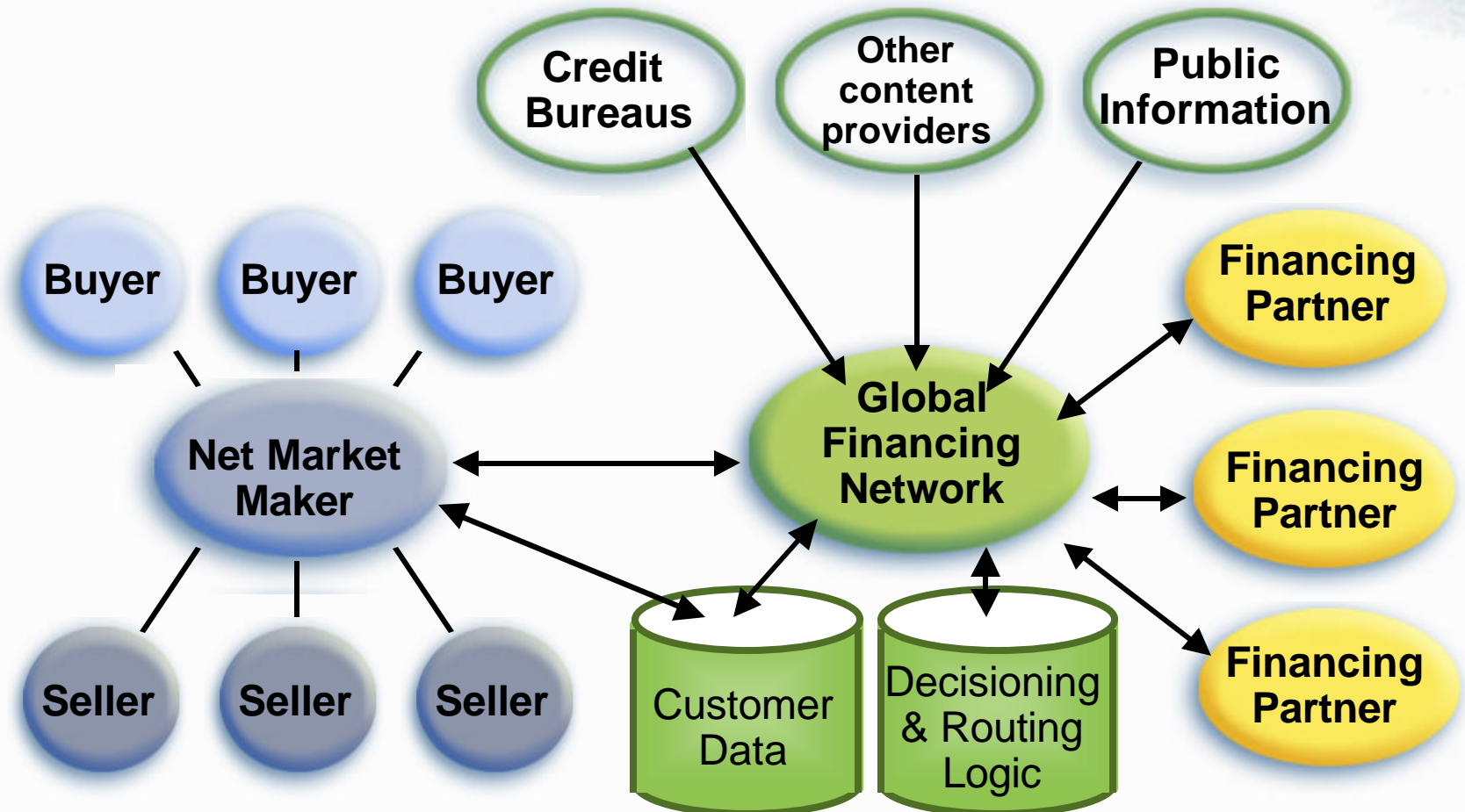
*Removing friction from the system*

## Business & Lender Benefits

- Credit file management
- Financial analysis
- Integration with ERP and legacy systems

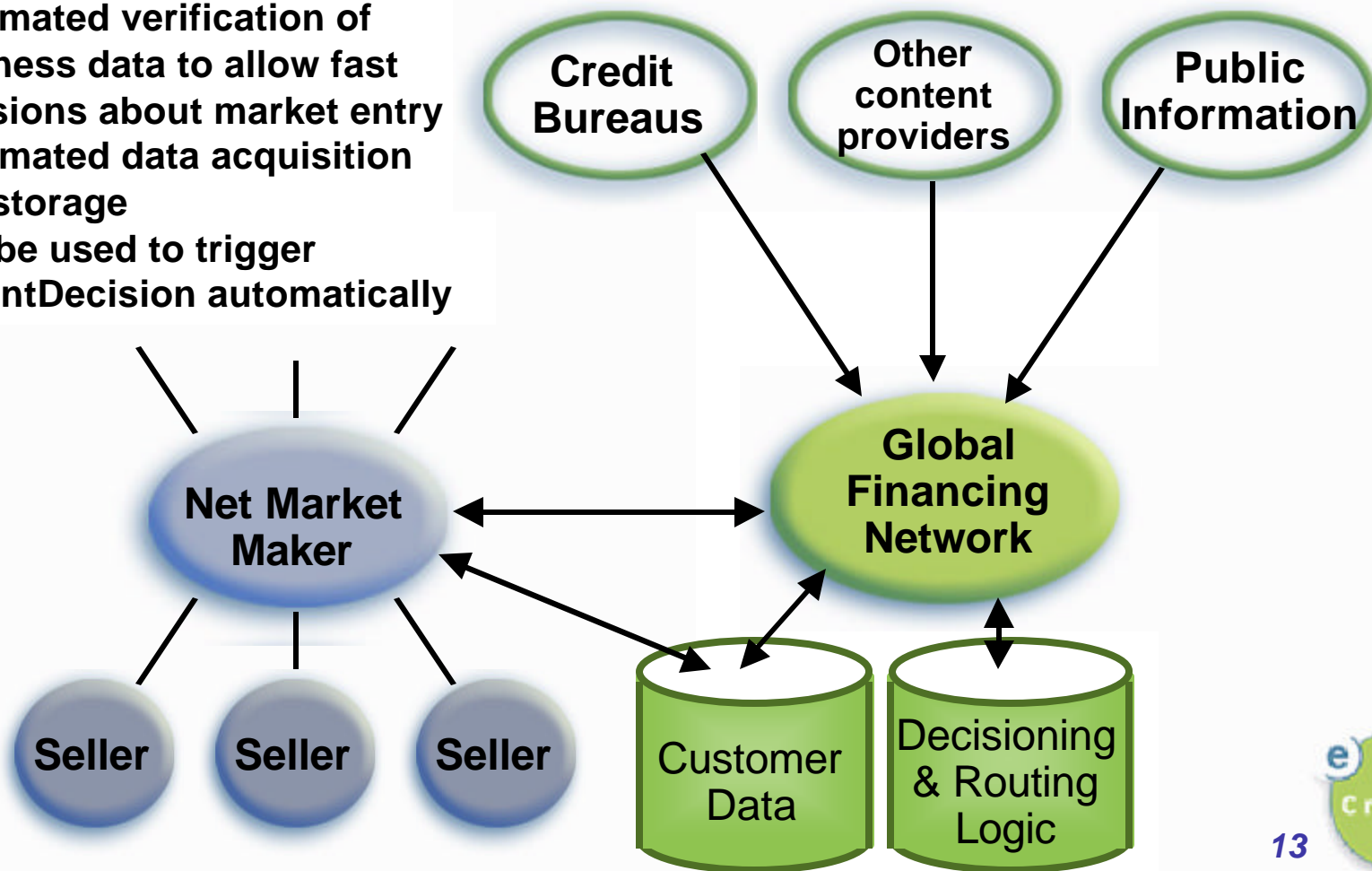
## Provide hosted:

- Links to content providers
- Credit decisioning
- Process automation



# eCredit.com BusinessVerify: Lowering Risk in Net Markets

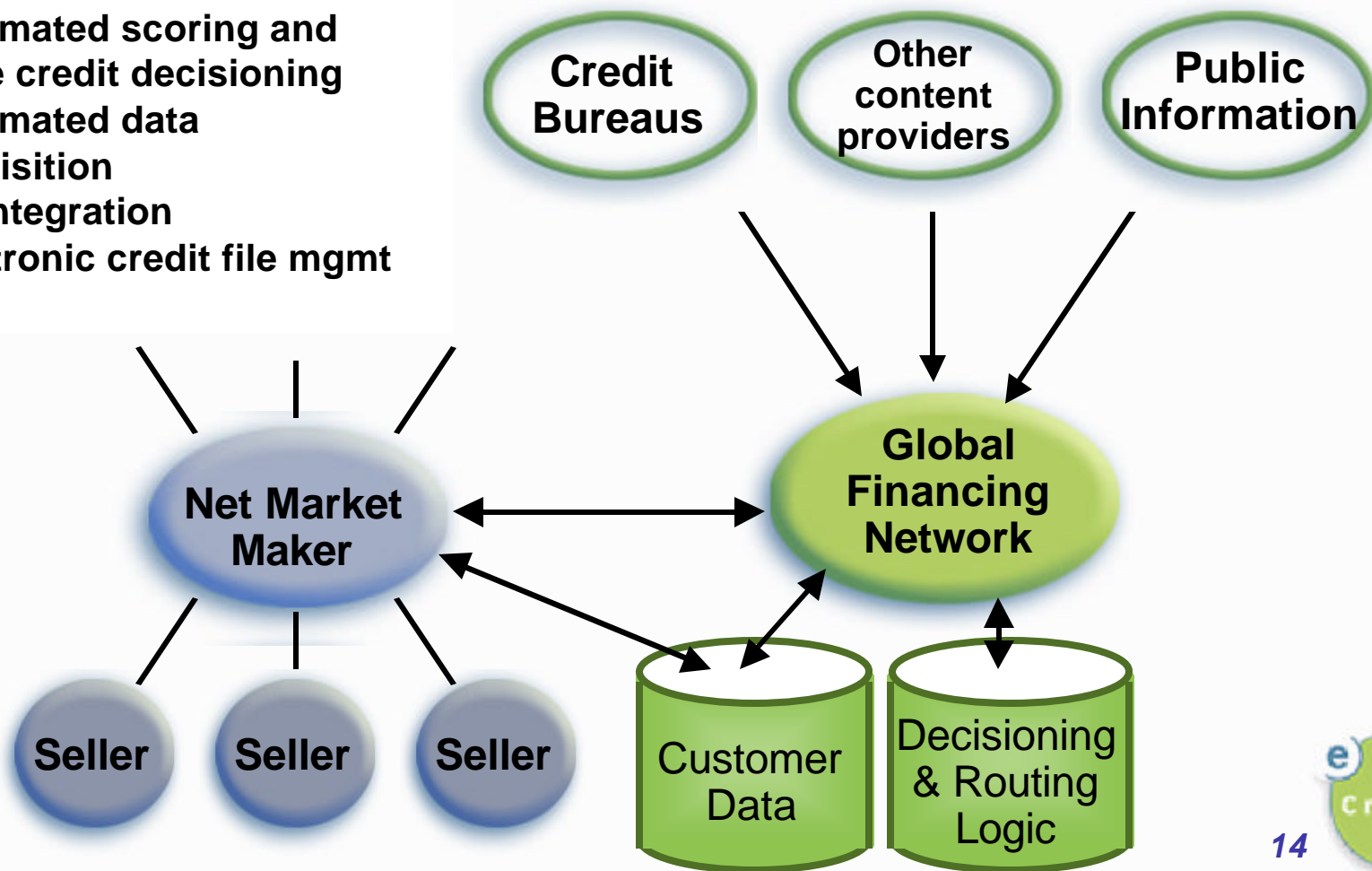
- Automated verification of business data to allow fast decisions about market entry
- Automated data acquisition and storage
- Can be used to trigger InstantDecision automatically





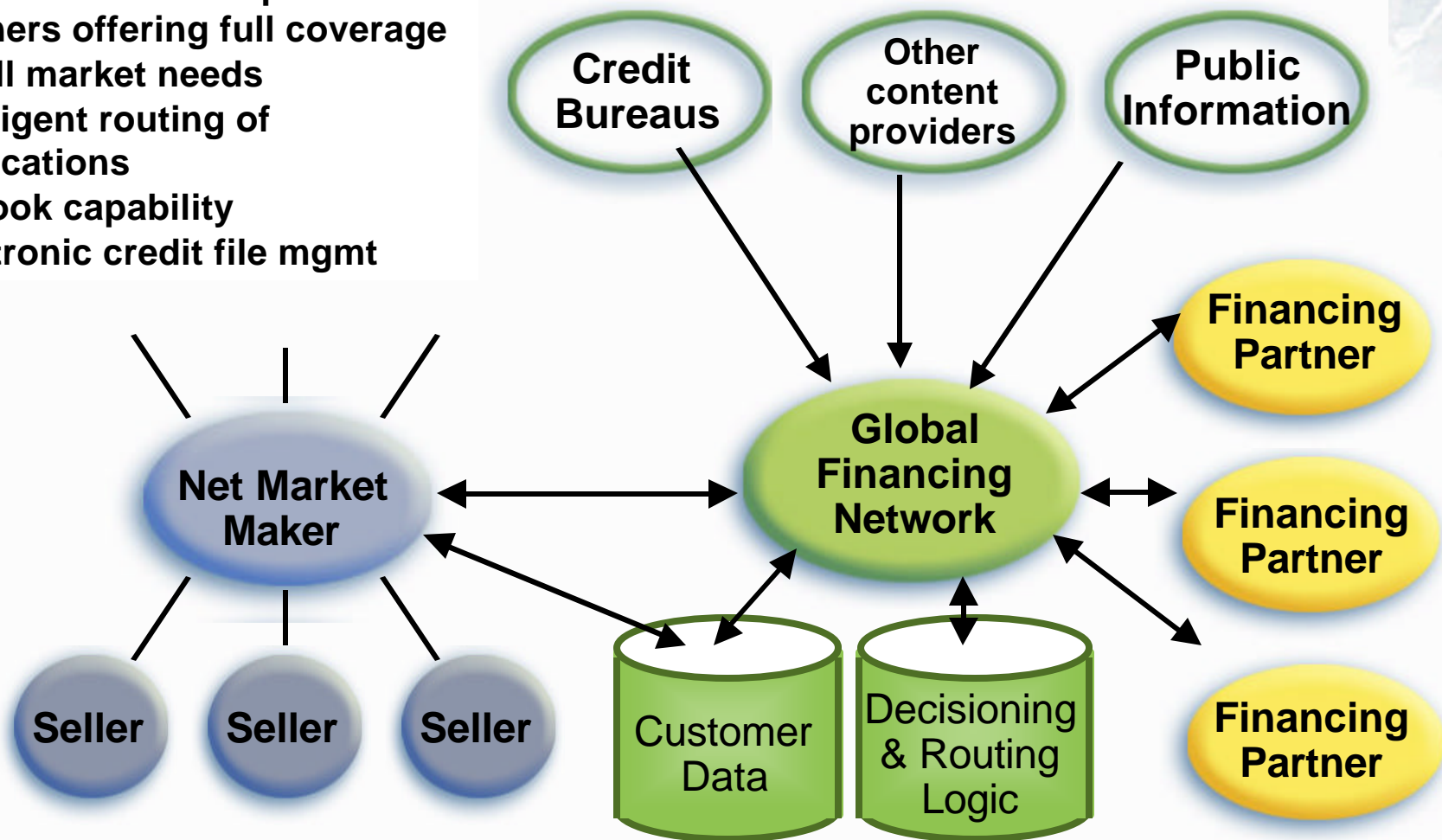
# eCredit.com InstantDecision: Faster and Better Credit Decisioning

- Automated scoring and trade credit decisioning
- Automated data acquisition
- AR integration
- Electronic credit file mgmt

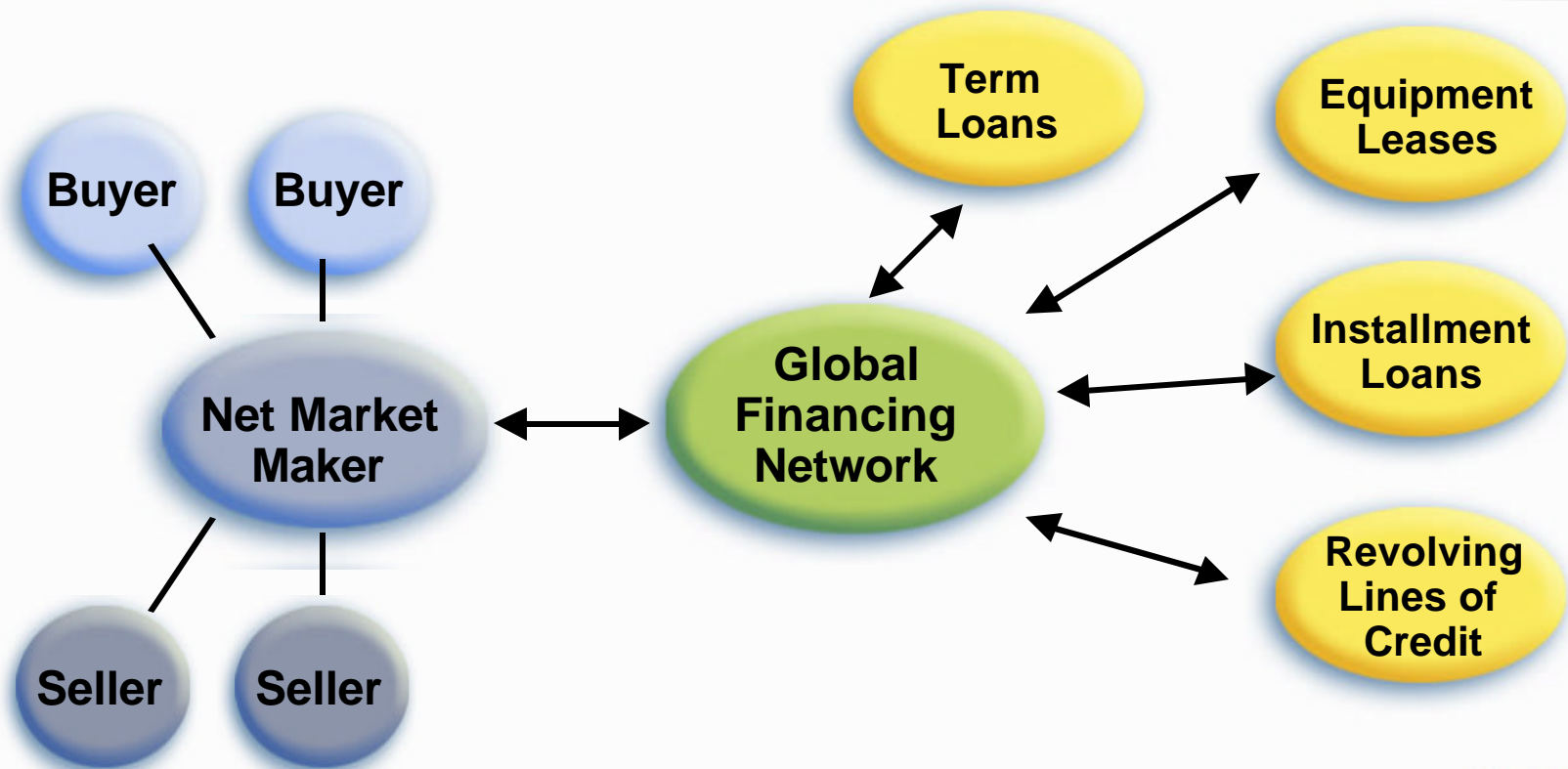


# eCredit.com FastFinance: Financing at Web Speed

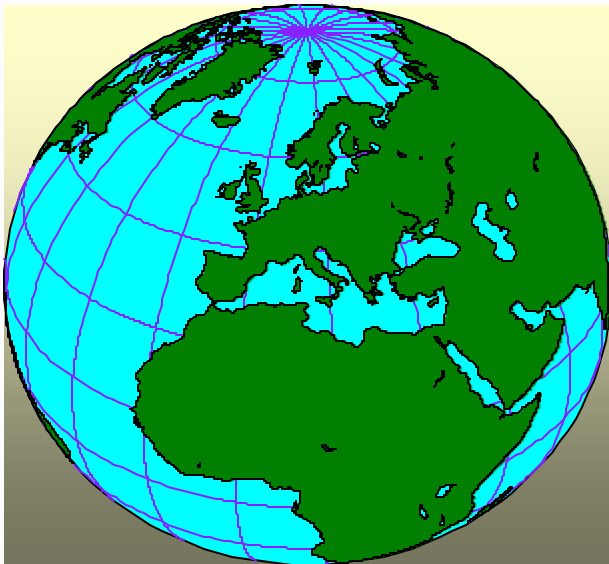
- Connection to multiple finance partners offering full coverage for all market needs
- Intelligent routing of applications
- 2<sup>nd</sup> look capability
- Electronic credit file mgmt



# eCredit.com Integrates a Full Range of Financing Partners for Consumers and Businesses



## eCredit.com Global Capabilities



- **Multi-language, multi-currency capabilities**
- **Locating and connecting to best information sources worldwide**
- **Connecting to multiple financing partners with global reach**
- **Helping customers understand best credit assessment processes worldwide**

# eCredit Services Bring Tremendous Economic Benefits to NMMs

## Total Business Benefit

*Increased  
approvals from  
new options and  
2<sup>nd</sup>, 3<sup>rd</sup> looks*

+

*Reduced AR  
Balance*

=

**HIGHER REVENUES AND MARGINS**

+

*Credit card orders  
now financed*

+

*Reduced costs  
per application*



# The eCredit.com Credit and Financing Solution

**An automated credit and financing solution with multiple partners leads to:**

- Improved risk management
- Higher transaction close rates
- Improved customer experience
- A more central role in the transaction flow in the market
- Faster growth

