

know more / grow more

Coface's expertise helps Rotork reduce outstanding debt

Rotork is the market leading actuator manufacturer and flow control company that operates in any market where the flow of gases or liquids needs to be controlled. Established in 1957, the Group now has four divisions and has grown into a multinational company with 65 offices and 24 manufacturing facilities around the world.

The problem

Under a new CEO, Rotork has recently started a Growth Acceleration Programme: a five-year strategy to achieve sustainable growth and increase operating margins. Among other things, this involves tight control over credit management, a task that is overseen by the Group's Credit Controller, Chris Franklin.

He explained: "While our end users are usually a large organisation in the Oil and Gas, Power and Water sectors, the risk tends to lie with a smaller intermediary in the supply chain who can be under-capitalised and at times reliant on getting paid before they can pay us. As with all businesses, there is the possibility of a financial shock along the supply chain and no guarantee that you will get paid although we do have a very good record."



rotork®



Company profile

Rotork is the market leading actuator manufacturer and flow control company that operates in any market where the flow of gases or liquids need to be controlled.

Challenge

Required tighter control over credit management especially with suppliers who are reliant on others.

Solution

Coface's suite of solutions including debt collections.

Result

Coface's knowledge and expertise has helped support Rotork's credit management operations, including quick recovery of any debts.

"I would 100% recommend Coface based on our experience."

The solution

Coface has an important part to play in supporting Rotork's credit management operations, reveals Chris. "We get advice from Coface on many different credit management matters and their Country Risk Handbook is extremely useful when assessing country risk for some export markets. Rotork offices use Coface's collections service for debt which is uninsured or difficult to collect, ranging from £1,500 to £100,000, and they have a very high success rate, either through their collections team or their legal service.

"Coface have helped us with both bad and late paying debts, and we have also used them overseas. At times, they have provided a resource to us when we don't have resource available locally. Then we would pass a month's collections or selected collections to Coface to assist us on behalf of Rotork, which has been very successful.

"Each of our locations has a different level of experience with late payment and Coface is able to advise them through the collection process. We encourage all our businesses locally to use Coface as they always provide a very quick and professional service which comes with sensible advice."



"Coface understand Rotork and what we are looking for... The service they provide is incomparable"

Credit insurance is usually perceived as a means of protecting companies from default once they have provided credit to a customer. But this case shows that it can have much wider value - not only enabling companies to manage their trading risk, but also empowering them to make otherwise unachievable sales.

Coface gets results

In Chris's experience, the Coface name goes a long way when it comes to collecting overdue invoices. "In some cases, a customer has approached us and asked why we have stopped supplying and we would say, we have passed the matter to Coface because it is a late-paying debt. That normally unlocks the payment quickly," he says.

"For example, Coface have been heavily involved in the past with assisting collections on many large long-term projects. We would create an invoice and pass it to Coface on the day it became overdue, extra resource and third-party intervention made a big difference because people know Coface. I think they are actually less likely to delay payment with a brand name like Coface than with the company they are actually buying from!"

A better understanding

Another important factor for Chris is his confidence that Coface really understand Rotork's business and are willing to go the extra mile on their behalf.

"I would 100% recommend Coface based on our experience. There have never been any issues and the information, the contacts and the communication has been completely professional," he reports.

"Coface understand Rotork and what we are looking for. Other suppliers believe they are just there to provide a debt collection service so if a customer offers to pay over two years, they will accept it because their goal is just to get paid. By contrast, Coface would negotiate on our behalf and reduce that time period. The service they provide is incomparable."

If you want to know more about the "know more, grow more" effect a credit insurance policy can bring to your business, talk to the experts at Coface on [0800 0856 848](tel:08000856848).