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Account Receivables' risk: New Group Policy

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- General Overview
- Key facts
- External support

Aim and scope

- increase the level of controlling on customers «ex-ante» or in other words, «before acquiring the PO from them»
- applicable starting from the second half of FY23
- all «Esseco Industrial» entities are in scope
- PM, CFO and GM are in charge
- «Entity level control» policy
- business policy

How increase the controls? How to manage the risk?

Credit Limit

- introduce the concept of «credit limit»
- «credit limit» with back-ups, NO based on customer's relationship

SOD

- introduce the concept of «Segregation of Duties» about customers between PM, CFO and GM in terms of managing risk
- introduce the «AR committee» at Entity and at Group level (PM,CFO, GM)
- sharing ideas, visions and strategies

Reporting

- A monthly reporting about account receivables, especially regarding overdue
- A useful reporting for identifying risks and opportunities and taking actions

Do you want to transfer the risk? Who can help in evaluations?

Transfer the risk

- Any kind of «actions» about transfer the risk (ex. Factoring, Credit insurance) MUST be agreed with Roberto Vagheggi

Who can help for having a «third party's evaluation» about the customers?

- Esseco S.r.l. signed, in the end of 2022, a broker agreement with «Assiteca – a Howden company» regarding insurance services, credit insurance included
- The consultants of «Assiteca» are available for a feedback about customers in case of a «double check»

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