

know more / grow more

The bonus of working with Coface has meant 'next to no claims' for Smeg UK.

Smeg is a name known to all kitchen lovers. Since 1948 the Italian brand has been a byword for premium quality in fridges, cookers and dishwashers, with a distinctive blend of retro styling and innovative technology. Its UK subsidiary is based in Abingdon, has a £40 million annual turnover and sells through high end independents and major retailers including John Lewis.

The problem

Smeg UK had been insured by Coface but decided to self-insure as an economy measure during the recession. As business began to pick up in 2013, Smeg decided to expand into new markets, launching its first ever range of small appliances such as blenders, toasters and kettles through stockists including Lakeland. They also started to win more contracts with home builders and kitchen fitters.

Higher risk? Hire Coface

This expansion and diversification resulted in a much wider and more diverse customer base with increased risk of financial loss, so Smeg UK decided to reconsider credit insurance. In the words of Credit Control Supervisor Irene Rous "it was sensible to mitigate our risk given the different types of customers". After assessing the options and following advice from their broker Aon, they chose the Coface combination of bad debt protection, debt collection and business intelligence.



Company profile

UK arm of Italian manufacturer and distributor of premium domestic appliances.

Challenge

Expansion into the small appliances and kitchen fitting markets: a riskier customer base.

Solution

Return to Coface credit insurance after a period of self-insurance.

Result

Successful credit control with only one claim needed to date.

Hard-headed

There was no sentiment involved in returning to Coface, it was a hard-headed commercial decision, factoring in policy terms, premium cost, the range of services and the level of no claims bonus on offer.

“When we had to make a claim, they paid within a month”

Controlling beats claiming

The ability to claim when bad debt strikes is often perceived as the main (if not only) advantage of credit insurance. That's the opposite of the truth. In fact Smeg has found that the main benefit of having Coface cover is rarely needing to claim at all. One claim for £1,000 is the total since their Coface cover resumed. Irene reports that Coface's claim handling service was excellent, and Smeg UK received the money within a month.

That's because Smeg UK is able to manage credit so successfully using CofaNet, Coface's secure online policy management tool which enables them to monitor the credit risk posed by each customer – and obtain quick credit decisions on new customers.

Built-in flexibility to boost sales

Credit limit flexibility is another Coface advantage. As Irene says, if a credit limit proves too tight and stops Smeg dealing with a worthwhile customer, the Coface team are happy to discuss options that enable them to complete the sale. “This flexibility is where the credit insurance shows its true value” she concludes.



“Flexibility is where the credit insurance policy shows its true value”

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**.
