



CRM – Customer Relationship Management

SACE Global Solutions

Aman Union Training Course 2016

Jeddah, May 3 – 4 2016

Official Partner for
Italy's International Growth
EXPO
MILANO 2015

 **SACE**
IL MADE IN ITALY NON SI FERMA MAI

The purpose of this presentation



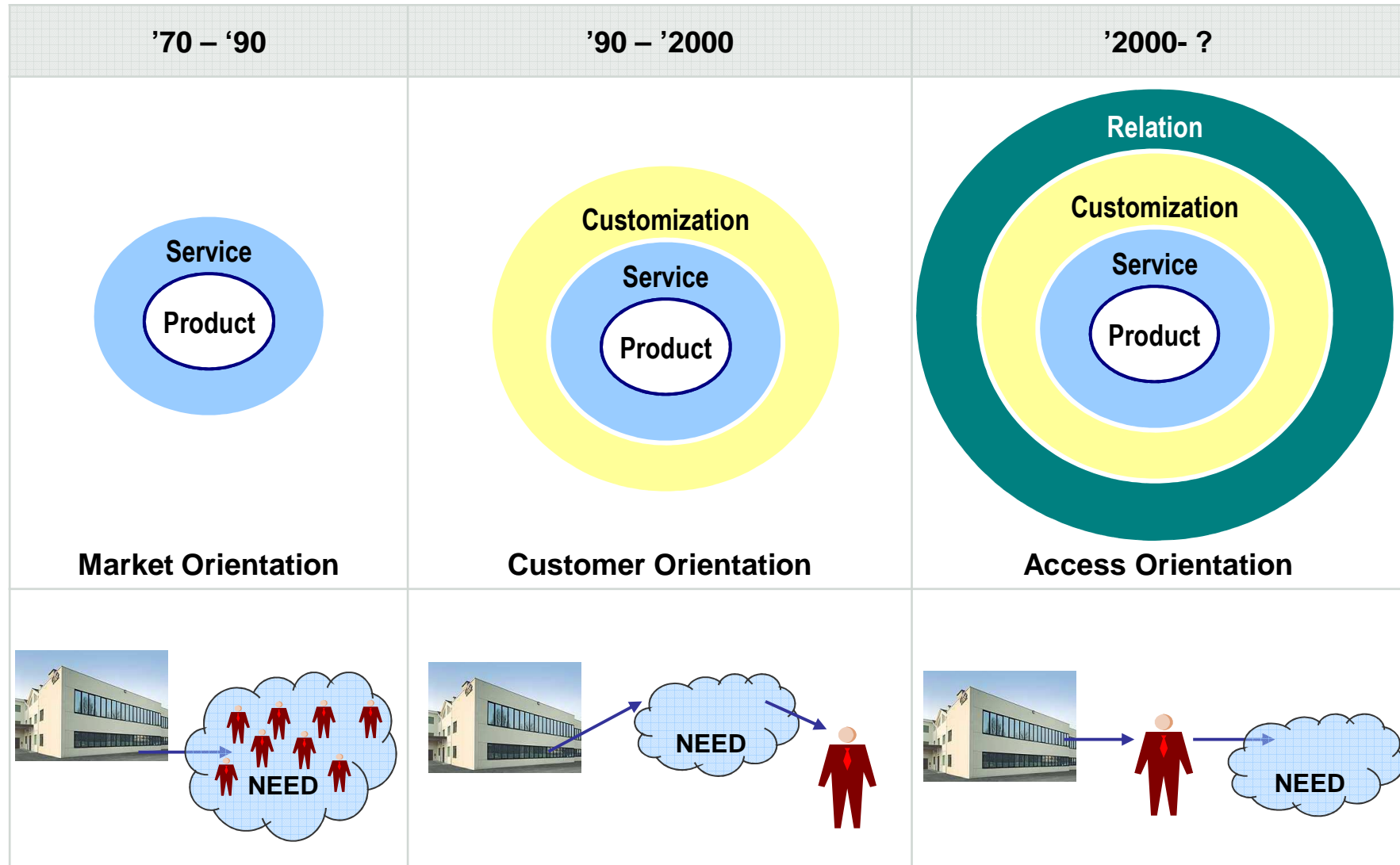
YOU!

S Your Strengths	Which are the strengths that the client recognize you?
W Your Weakness	Do you usually collect any critic from the client?
I Areas of Improvement	What can be done to improve your client satisfaction?

Overview

1	CRM – Customer Relationship Management
2	Defining the target
3	Who's the customer for an ECA
4	SACE's Approach
5	Distribution channels and Promotion
6	Our experience on the ground
7	Risk assessment
8	Relation with the client

Historic evolution of the relation with client



Historic evolution of the relation with the client (2)

**Market
Orientation**



**Access
Orientation**



The customer replace the market as a logical place for request and offer.

The relation with the client and the characteristics of the relationship are the main key factors.

CRM – Customer Relationship Management

“CRM is a **strategic approach** that is concerned with creating improved shareholder value through the **development of appropriate relationships** with key customers and customer segments.

CRM unites the potential of **relationship, marketing strategies and IT** to create profitable, **long-term relationships** with customers and other key stakeholders.

CRM provides enhanced opportunities to use **data and information** to both **understand customers** and **co-create value** with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled information, technology, and applications”.

(Payne & Frow, 2005, p. 168)

CRM – Customer Relationship Management (2)

Strategic CRM:

The aim of strategic CRM is to concentrate and enhance the knowledge about customers and use this knowledge to improve and customize the interactions with customers to maintain a long-term relationship with them.

Operational CRM:

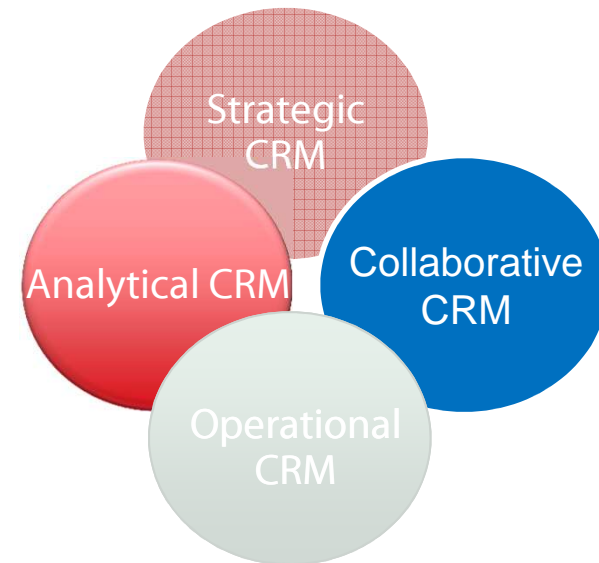
Operational CRM generally refers to services that allow an organization to take care of their customers. It provides support for various business processes, which can include sales, marketing and customer service. Contact and call centers, data aggregation systems and web sites are a few examples of operational CRM.

Analytical CRM:

Analytical CRM supports organizational back-office operations and analysis. It deals with all the operations and processes related with client data collection.

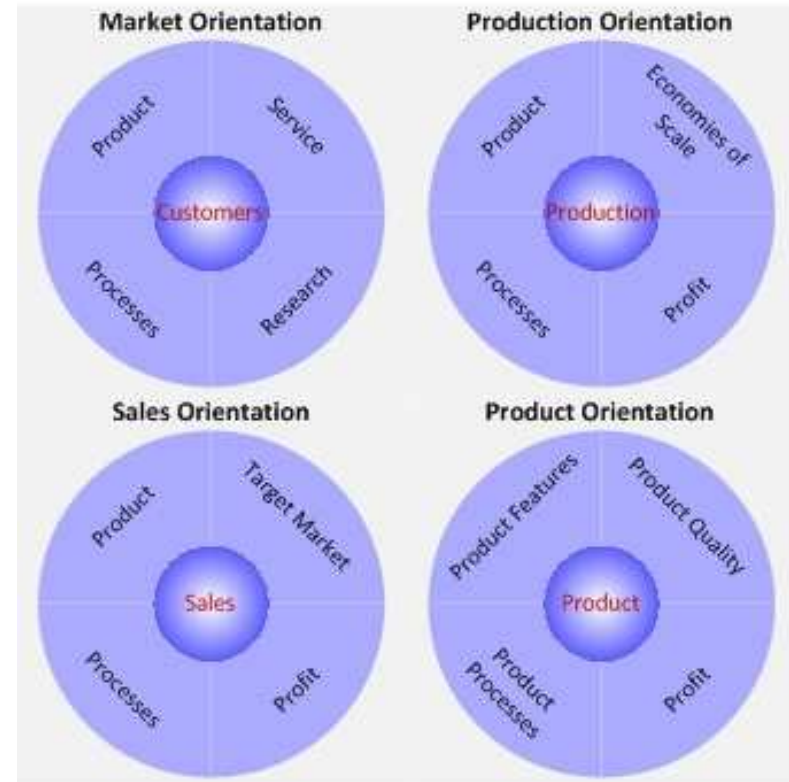
Collaborative CRM:

Collaborative CRM applies technology in order to share information collected from interaction with customer with the aim to create recognized values for the companies and for the partners.



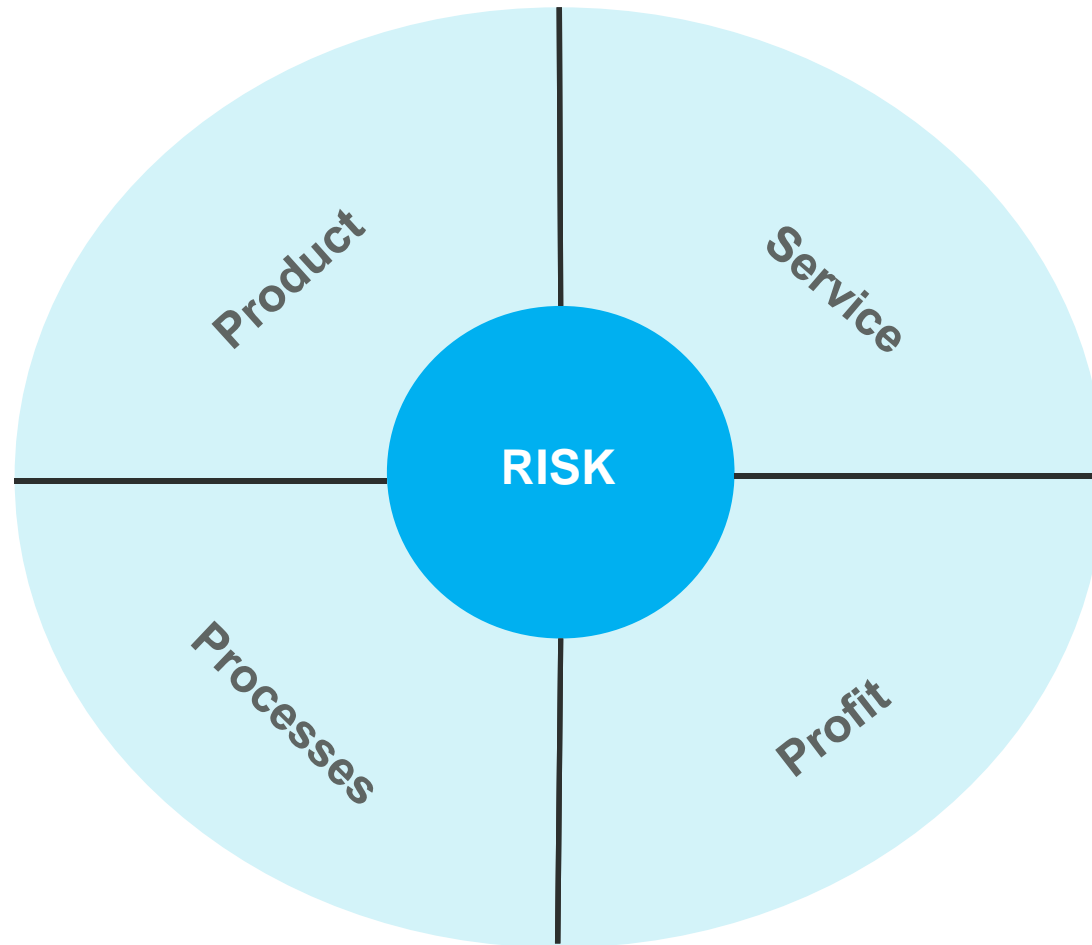
4 organizational principles

- ✓ **Market orientation:** customer oriented instead of product centered. Find the right product for your customer.
- ✓ **Production orientation:** concentrate on achieving intensive production efficiency and low costs.
- ✓ **Product orientation:** caught in «love affair» with the product.
- ✓ **Sales orientation:** the aim is to sell what you make rather than make what the market wants.



On which principle does an ECA work?

Risk orientation



When ECAs sell policies or guarantees...ECAs are buying risks!

CRM – The IDIC model



Is this model applicable to an ECA?

CRM for an ECA

- ✓ In general, CRM has a strategic and multi-functional approach in dealing with client...
- ✓ However, ECA is a hybrid player (trade-off between support and profit)
- ✓ Consequently, CRM approach should be specifically tailored for an ECA

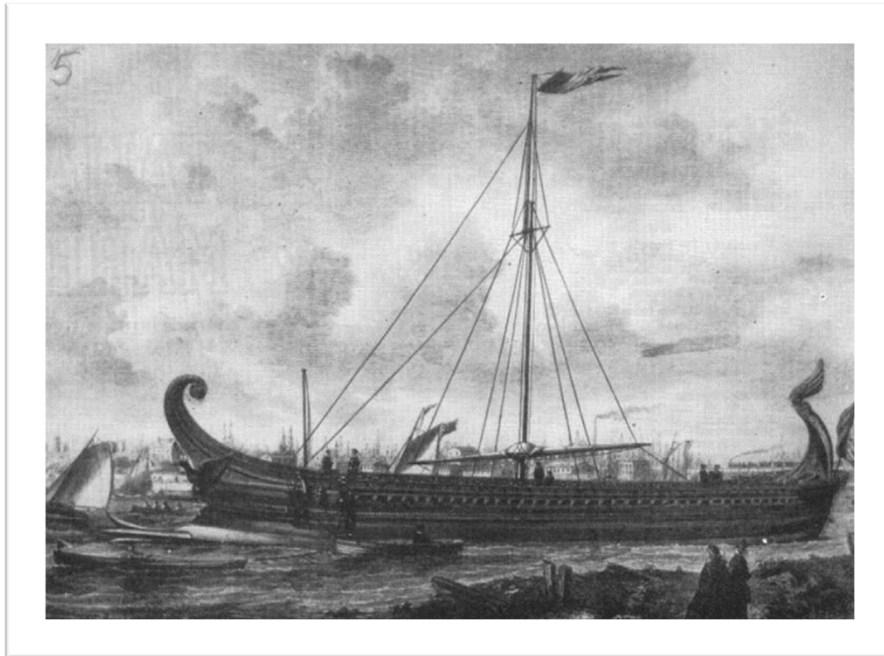
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Looking for favorable wind

Ignoranti quem portum petat, nullus suus ventus est

There is no favorable wind to the person who does not know which port to reach.



*Seneca
Moral Letters to Lucilius*

Vision, Mission and Strategic goals

Vision

The **ultimate goals** that an ECA seeks to achieve in the middle and long run. This set of goals might be distinguished at both **national and corporate level**.

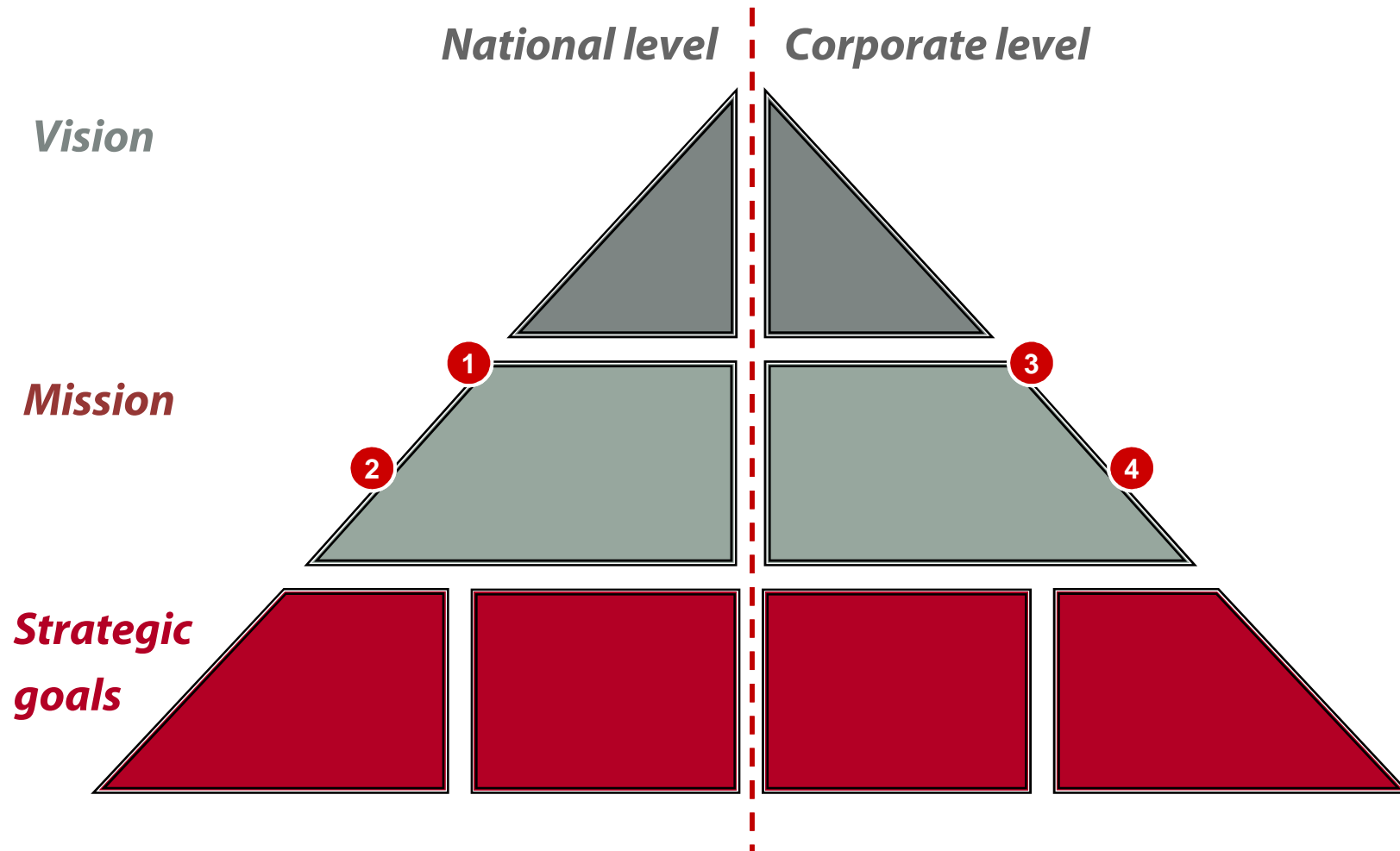
Mission

The **core principles, which will guide the company's operations** over time, irrespective of the (temporary) potential effect of externalities. The mission states the priorities from the business and operational perspectives, again both at national and corporate levels, and defines the market positioning and the approach in relation with other players in the financial market.

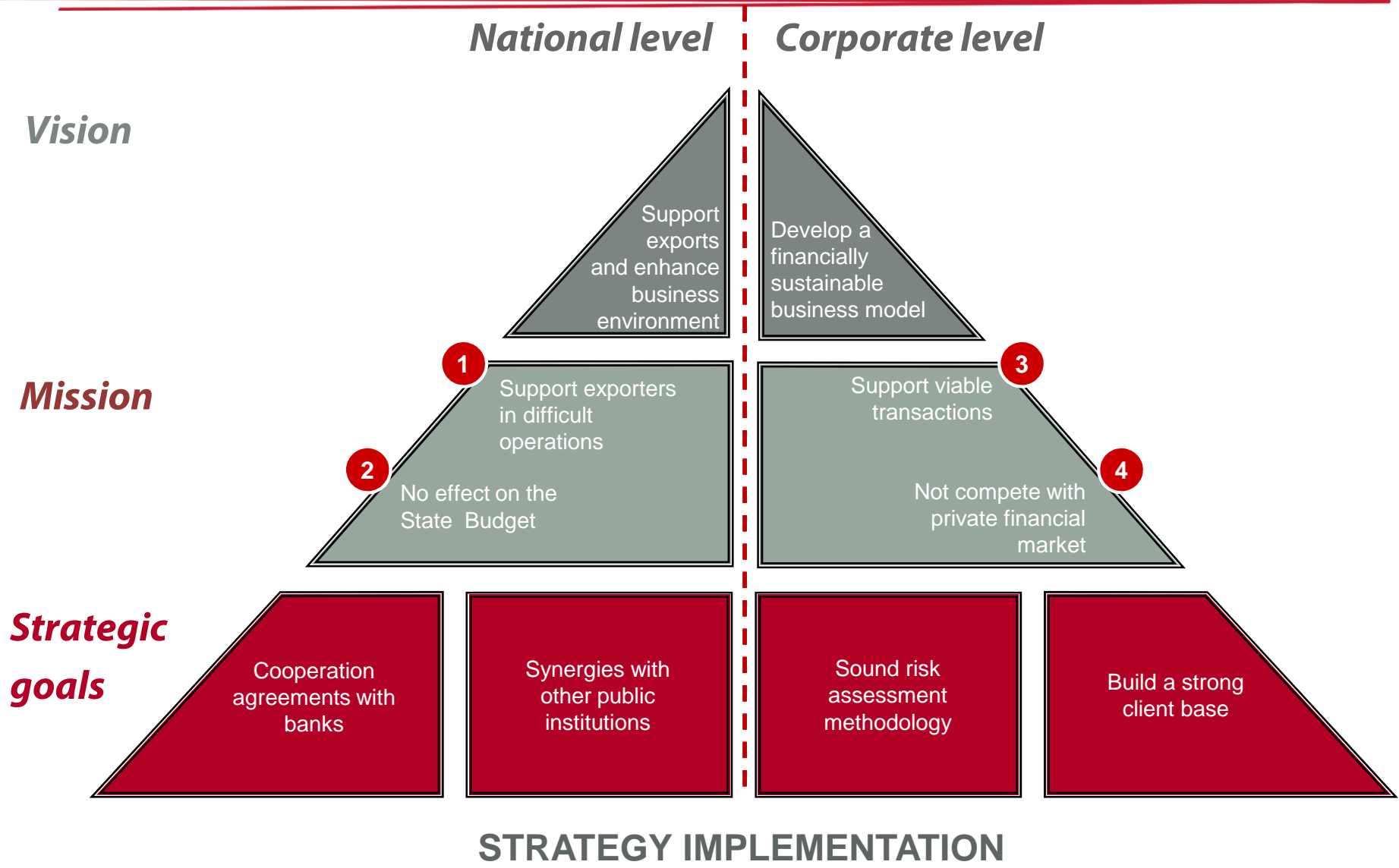
Strategic Goals

A set of **planned and concrete objectives** that the ECA would endeavor to achieve in the long term in order to carry out the “mission” and the “vision”.

Defining the Pyramid



ECA's Mission



Strategy implementation / Business Model

The strategy implementation is linked with the business model, which is influenced by the following variables:

- i. priorities defined by the country's economic policy;
- ii. public finance strength and sustainability;
- iii. availability of financial resources and external funding;
- iv. limits to foreign currency indebtedness;
- v. market destination of exports;
- vi. typology of goods exported;
- vii. level of development of the private insurance market.

Strategy implementation

1. Identification of client
2. Identification of the needs
3. Pay-off for the ECA and for the Country
4. Communication and Promotion (distribution channels)
5. Products offer

Let's discuss

- 1) Define the target / set the direction
- 2) Verify the adequacy of the structures
- 3) Implement the strategy



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That “empty” chair



The most important person in the room

The customer

Identification



- ✓ Who's the client
- ✓ Who's your client
- ✓ Understanding customer needs

Elaboration and management



- ✓ Personalize the relations
- ✓ Manage your relation
- ✓ Satisfy your customer

Analysis



- ✓ Successful cases
- ✓ Flops

Who is the customer?

*“Who is the customer?
The customer is the most important visitor on our premises.
He is not dependent on us.
We are dependent on him.
He is not an interruption of our work.
He is the purpose of it.
He is not an outsider in our business,
he is part of it.
We are not doing him a favour by serving him.
He is doing us a favour by giving us an opportunity to do so.”*

Gandhi

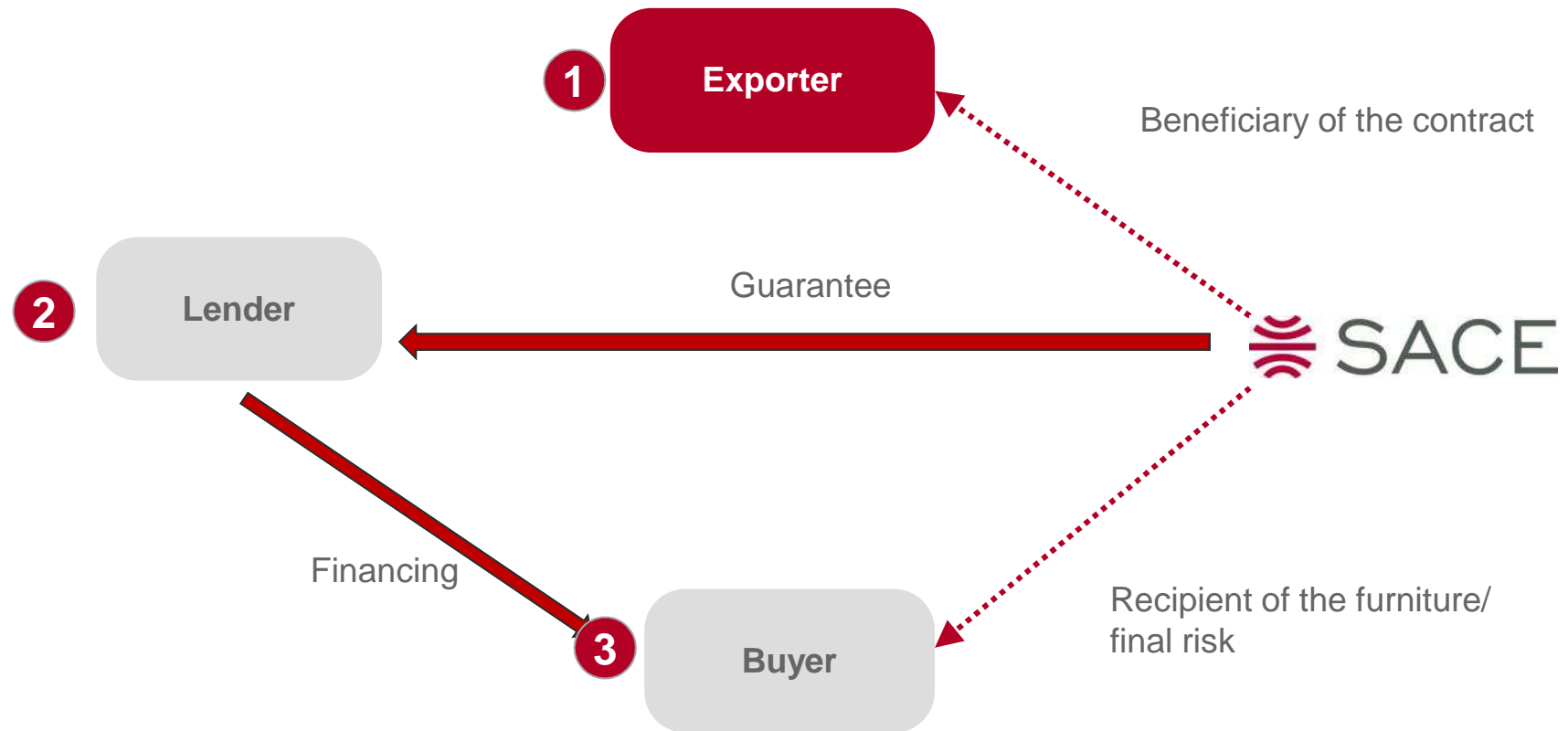
*“**There is only one boss. The customer.** And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.”*

Sam Walton

*“We've had three big ideas at Amazon that we've stuck with for 18 years, and they're the reason we're successful: **Put the customer first. Invent. And be patient.**”*

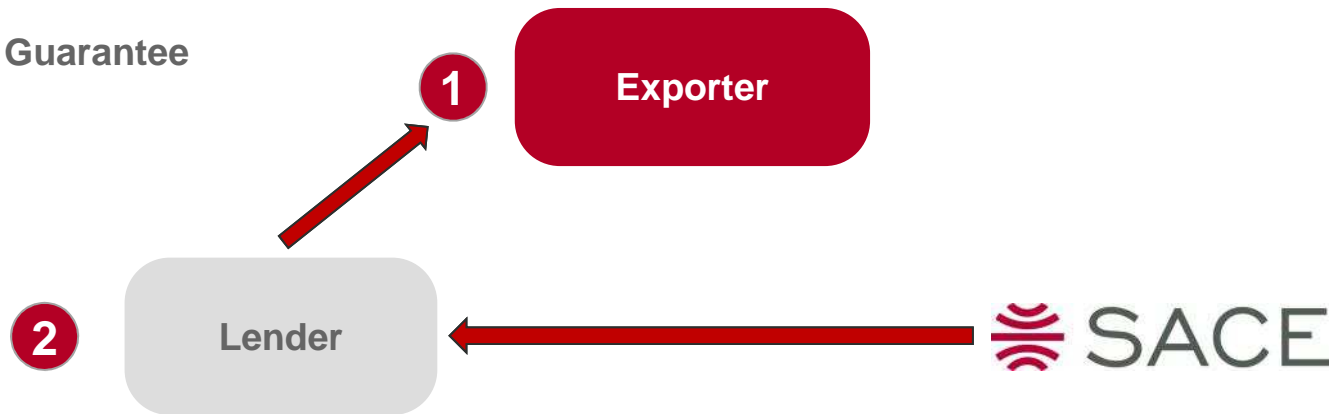
Jeff Bezos

The ECA client...Who is SACE client?

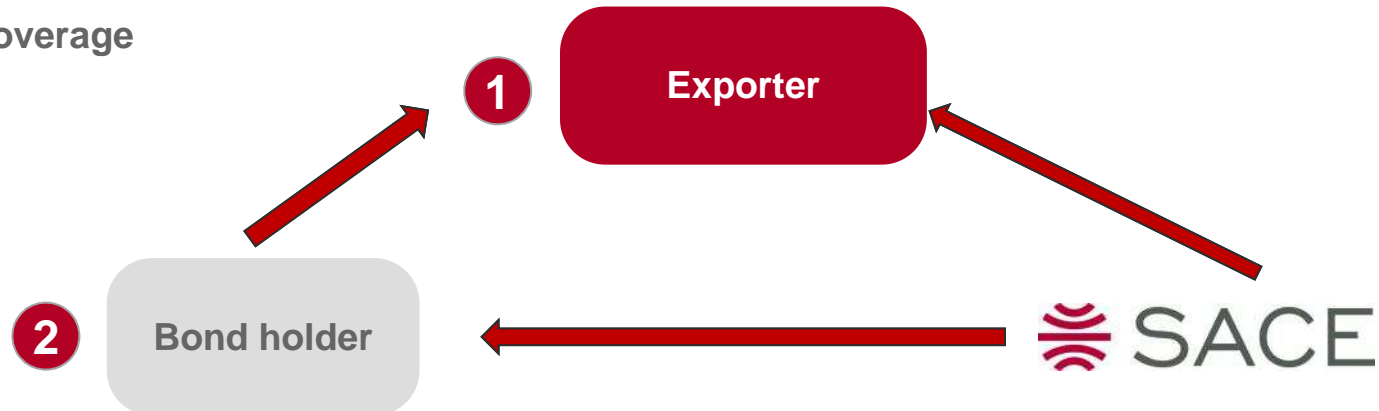


Who is SACE client: Italian risk

Financial Guarantee



Bond Coverage



Needs and reality

Normally, an ECA tries to adapt the reality and the customers' needs to its products...

In the long term, the main effort is to adapt the ECA products offer to the reality and customers' needs

However, this is a very risky process...be careful!

Customer needs: case study Fed-EX

Panic Vs Innovation

- ① FedEx is an American global courier delivery services company.
- ② How they react to the arrival of the FAX in 1984?
- ③ Zap-Mail
- ④ They did not understand the differences between product and services



Case study: credit enhancement SACE

Support Vs Innovation

- ① Enhance the credit for the exporters.
- ② What SACE did?
- ③ Credit enhancement product
- ④ SACE was focusing to much on the support.



Customer satisfaction

Customer satisfaction measures the efficiency of the service provided by the company to its client

How to satisfy customer's expectations?



When customers value the service they receive, they are less likely to look for alternatives...

Customer Experience Management (CEM)

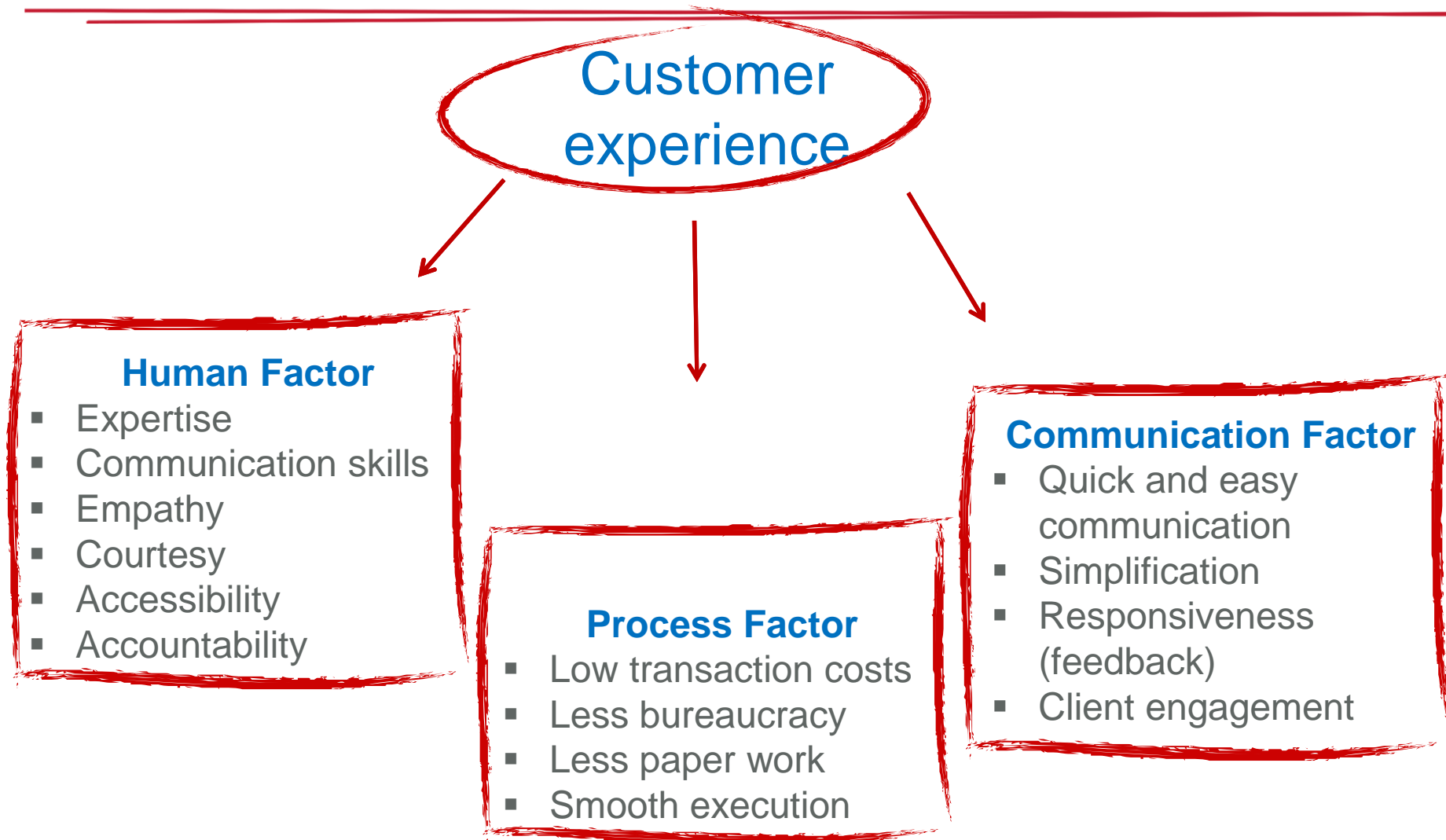
Customer experience management (CEM) is the collection of processes a company uses to track, oversee and organize every interaction between a customer and the organization throughout the customer lifecycle. The goal of CEM is to optimize interactions from the customer's perspective and, as a result, foster customer loyalty.

Deutsche Bank

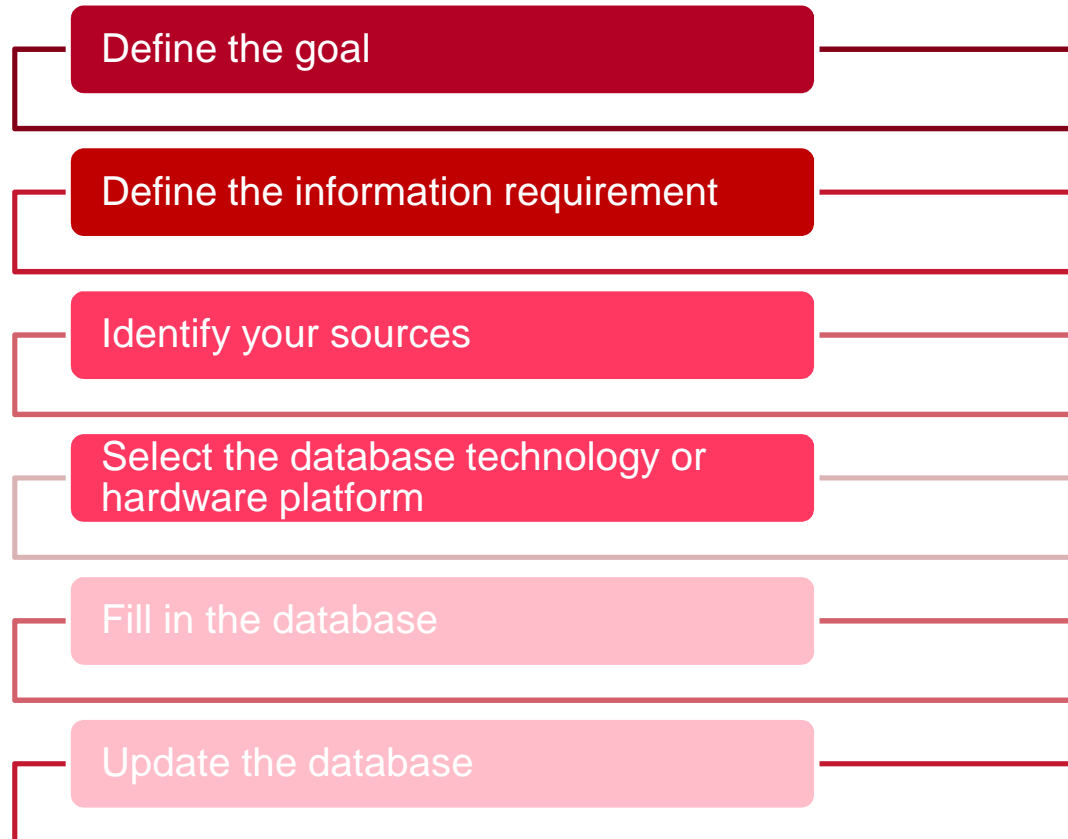


amazon

How customer experience could be applied to ECAs?



The importance to have an accurate customer-related database...



CRM Customer

http://10.0.8.110/crmgruppo/index.php?action=Login&module=Users&login_module=Home&login_action=index

Benvenuto in

SUGARCOMMUNITY EDITION™

Lingua:

Nome utente:

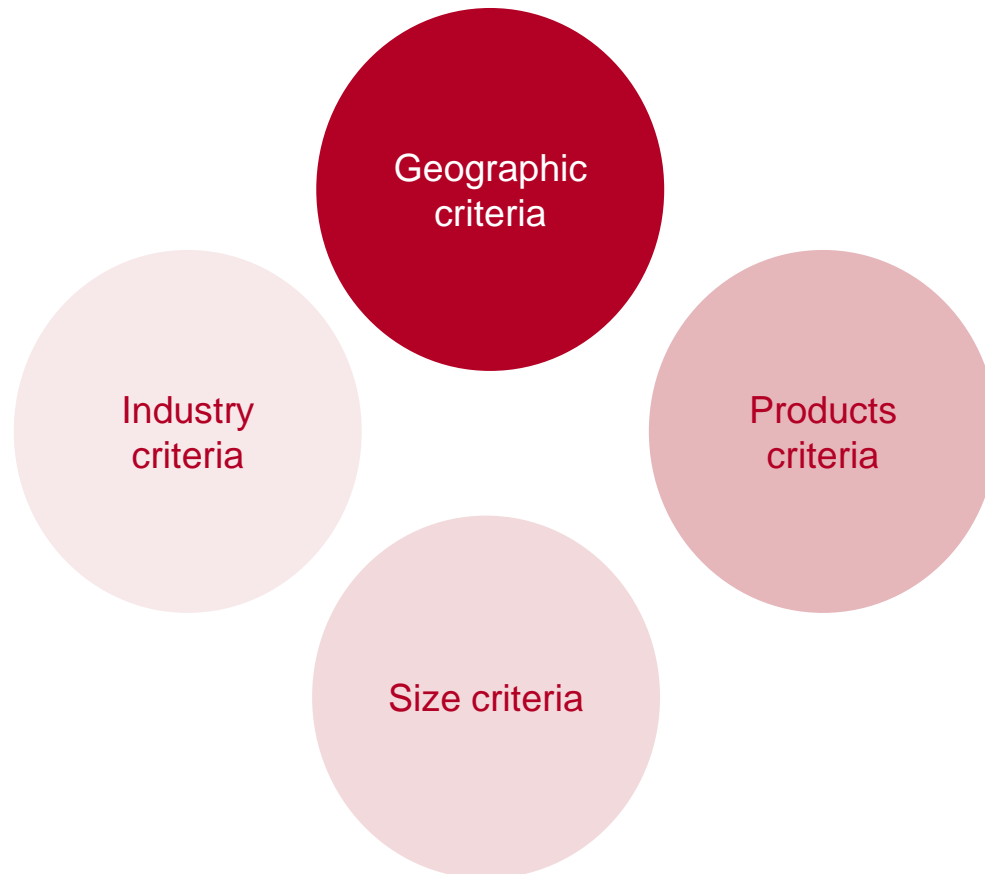
Password:

Tempo di risposta del server: 0.95 secondi. (database: 0.02 secondi.)
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How to manage a client portfolio?

***Clients cannot be managed in the same way!
On the one hand clients are equal, on the other hand every single client is unique.***



Let's discuss

- The customers are the most valuable asset of a company, hence understanding their needs is an important challenge
- The ability of a Relationship Manager is to make sure the client's needs are met at every step
- It is fundamental to understand the client typology, which can be assessed according to a variety of needs
- Take care of customer satisfaction and improve customer experience
- Develop a database and portfolio is strategically important



Overview

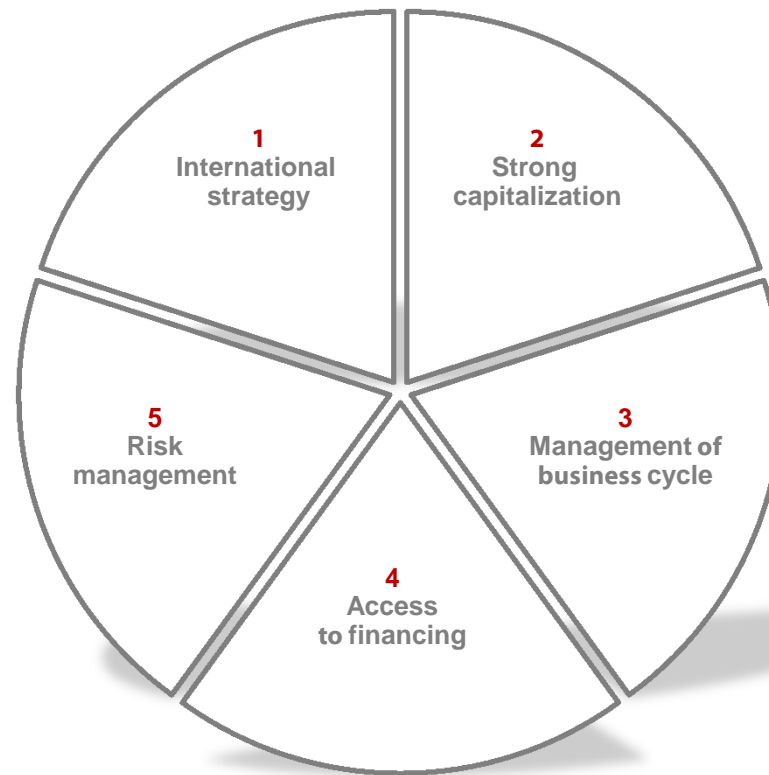
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Our Vision, SACE's approach

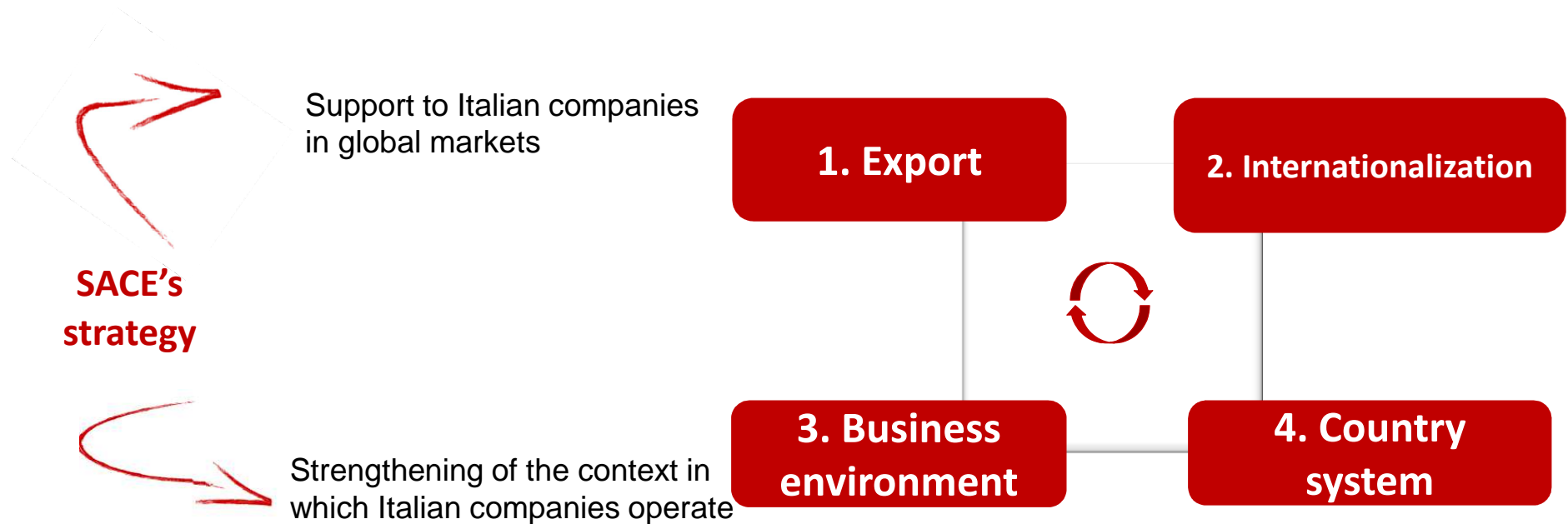
SACE: Business Model

Key factors for being successful in the global market:

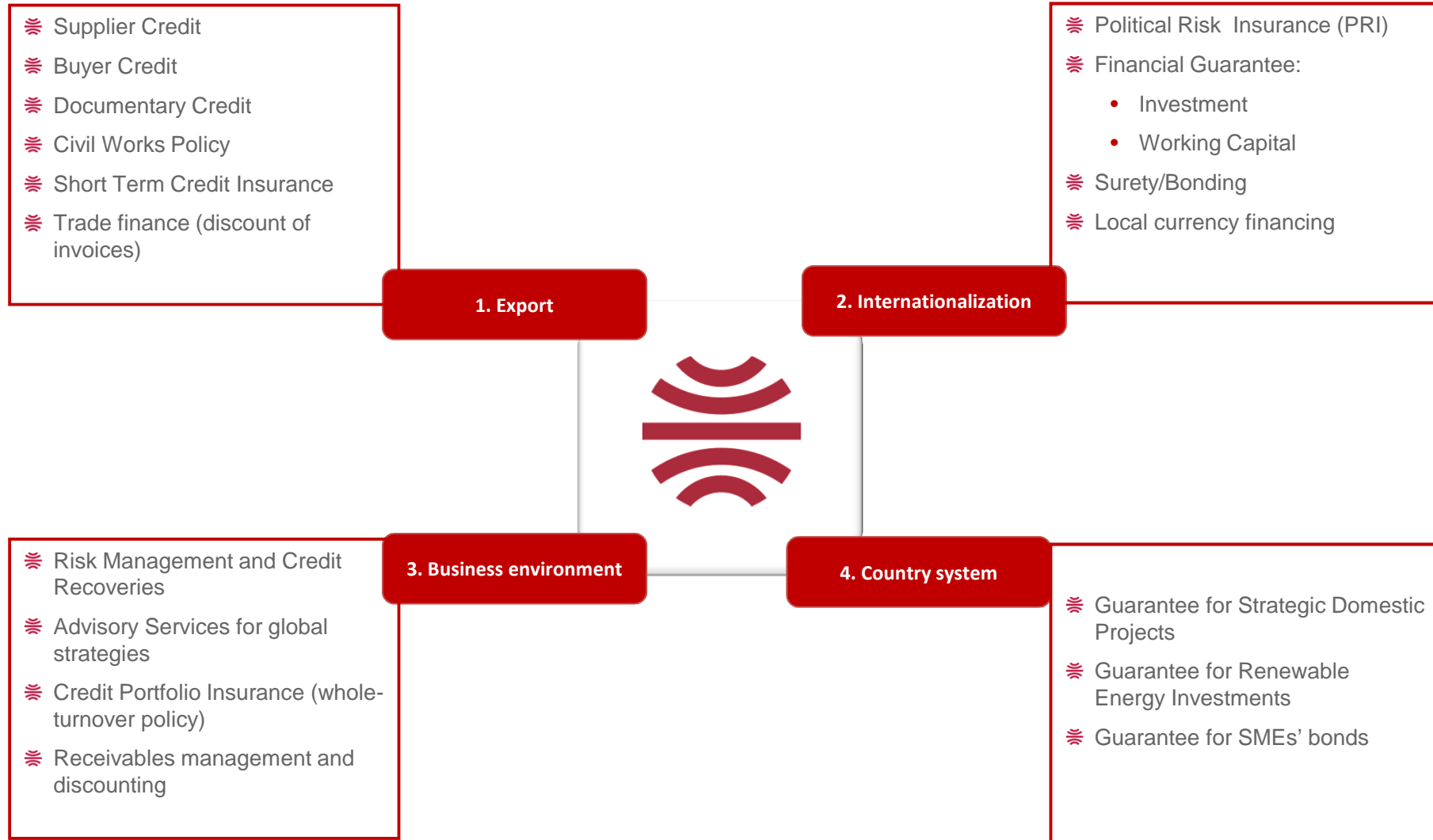
To compete globally, companies have to be strong in the domestic market.



SACE: Strategy implementation

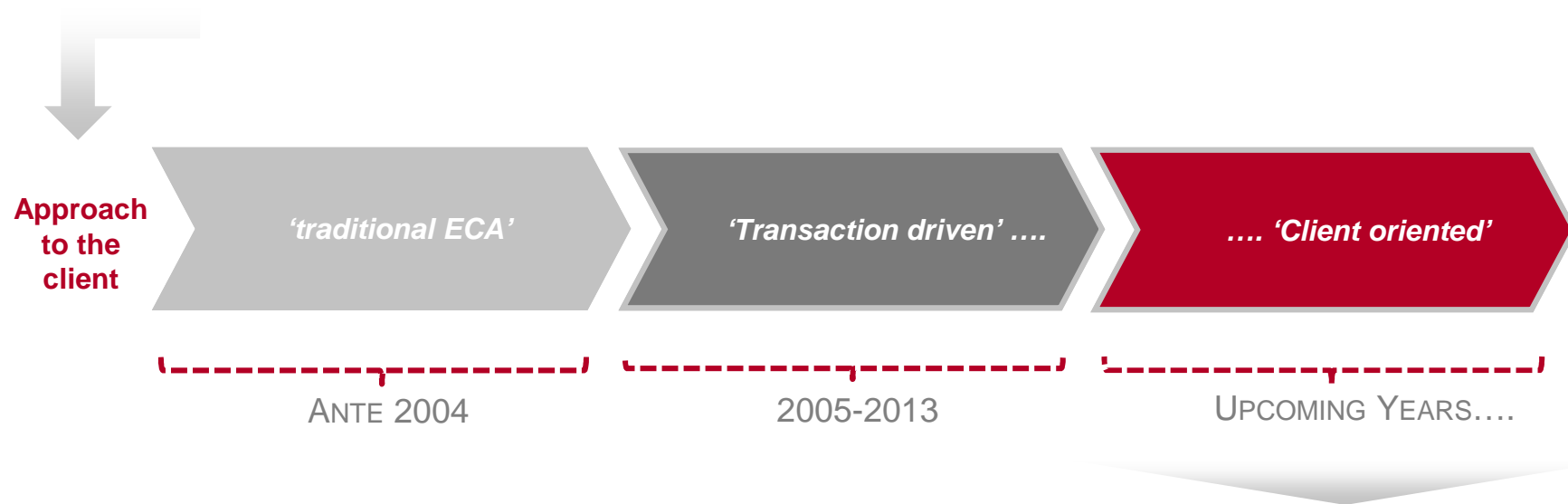


SACE: Business Model



SACE: growth strategy

Evolution of the commercial model in SACE

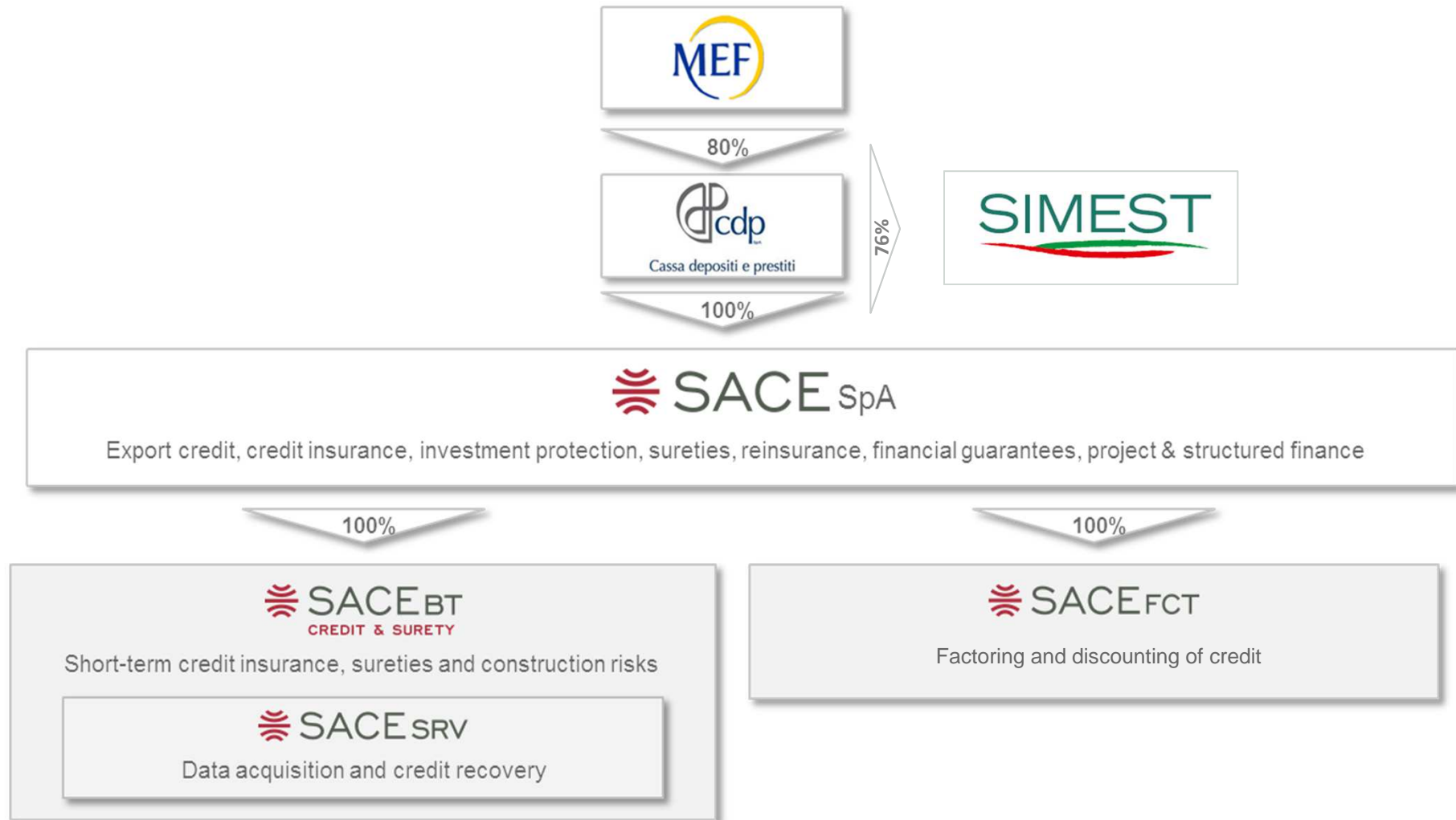


- SACE mission is changing with the evolution of the activity and the introduction of new business lines (SACE BT, SACE FCT, SACE SRV)
- The approach to the client follows the evolution of the market and aims at providing relevant answers to client's needs

Main features of the two approaches:

	'Transaction Driven'	'Customer Oriented'
Strategy	Product specialization aiming at providing an excellent service	Looking for solutions that fit client's needs and more specifically on SACE products
Process	The process starts on the client's input	Be close to the client in order to understand his needs asap
Accountability & Rewards	Based on the execution ability	Based on the ability of ' insight ' on the client
Organizative Structure	Product based	Focus on the client
Reporting	According to the business line	According to client's typology

CDP Group Structure



SACE Group's approach

'Specialised approach'	'Consolidated approach'
Several entry points	One entry point
Separated CRM	Consolidated CRM
Single selling	Cross-selling
Specialization on the products	Specialization on the clients

Origination: two steps

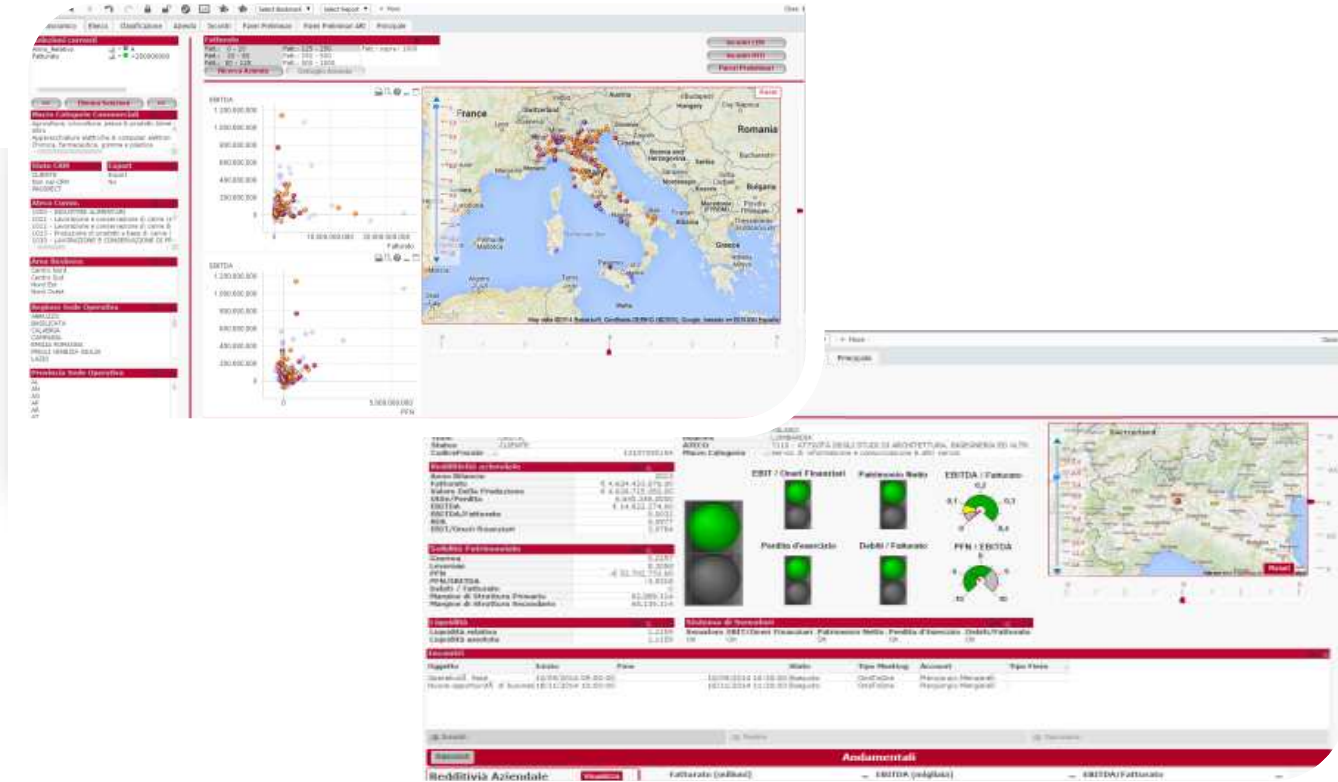
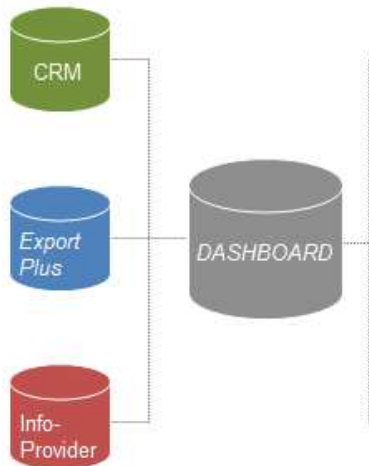
Scouting - DAC Dashboard

Monitoring the origination
performance (KPIs)

DAC – Dash board

DAC is a commercial analysis dashboard that allows to analyze the companies diffusion on the territory.

It has been implemented in house unifying all data of SACE portfolio and using different technical instruments of analysis.



DAC – Criteria

Strenghts:

- ✓ Commercial analysis on the territory
- ✓ Performance monitoring (meeting, pipeline)
- ✓ First screening of companies according with defined criteria



SACE's cut-off criteria are (all at one time):

- ✓ Equity < 0
- ✓ EBIT / Financial costs < 1
- ✓ Losses for more than 2 years
- ✓ Financial debt / turnover > 0.75

DAC – How it works

[Clear](#) [Select Bookmark](#) [Select Report](#) [Share session](#) [More](#)

Selezioni correnti

Anno_Relativo: A
Fatturato: >250000000

[Elimina Selezioni](#)

Segmentazione RTD [Reset](#)

[Nord Ovest](#) [Nord Est](#)
[Centro Nord](#) [Centro Sud](#)

Portafoglio

CRMq: Non nel CRMq

Azienda	Stato CRMg
BT	424 CLIENTE 466
ECT	109 PROSPECT 235
SPA	432 todefine 101

Selettore Semaforo

● ●

Macro Categorie Commerciali

Agricoltura, silvicoltura, pesca & prodotti Alimer
Altro
Apparecchiature elettriche & computer elettronici
Chimica, farmaceutica, gomma e plastica

Ateco

J140 - ALLEVAMENTO DI ANIMALI
J141 - Allevamento di bovini da latte
J147 - Allevamento di pollame
J610 - ESTRAZIONE DI PETROLIO GREGGIO

Export	Intern./Exp...
Export	Ex&Int
Export - No %	Export
No dati	Int.
	No

Percentuale Export

Fasce di fatturato (mln euro)

0 - 10	20 - 50	125 - 250	500 - 1000
10 - 20	50 - 125	250 - 500	> 1000

[Ricerca Azienda](#) [Panoramico](#) [Incontri LBS](#) [Target](#)
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Distribuzione Territoriale

[Reset](#)

[Distribuzione Territoriale](#) [Concentrazione di Fatturato](#) [EBITDA/PFN e EBITDA/Fatturato](#) [Distribuzione Territoriale di Sace](#)

DAC - How it works

Italia Energia SpA

Redditività aziendale	
Anno Bilancio	2013
Fatturato	€ 546.944.515,00
Valore Della Produzione	€ 549.146.696,00
Utile/Perdita	1.214.787,0000
EBITDA	€ 13.697.390,00
EBITDA/Fatturato	0,0250
ROE	0,1119
EBIT/Oneri finanziari	6,7257

Provincia	ROMA
Regione	LAZIO
ATECO	3514 - Commercio di energia elettrica
Macro Categoria	Estrattiva, raffinati, energia, acqua
Codice Fiscale	
Azienda SPA	
Azienda BT	
Azienda FCT	Account: () Status:

Solidità Patrimoniale	
Gearing	3,5872
Leverage	16,2959
PFN	€ 28.730.385,00
PFN/EBITDA	2,0975
Debiti / Fatturato	0
Margine di Struttura Primario	1.356.729
Margine di Struttura Secondario	1.856.104

EBIT/Oneri Finanziari	6,7257
Perdita d'esercizio	€ 1.214.787,00
Patrimonio Netto	€ 10.855.433,00
Debiti / Fatturato	0,0712

Liquidità	
Liquidità relativa	1,6003
Liquidità assoluta	1,6246



No dati	
% Fatturato Export	0%
Export	No dati
Descrizione Export	-

Pivot Operazioni					
ProdottoSACE	N° Operazioni	N° Op. Del./Perf.	Premi	Impegni	
GARANZIA FINANZIARIA BASE	-	7	€ 162.462,00	€ 3.750.258,43	
Totale	-	7	€ 162.462,00	€ 3.750.258,43	



DAC – Company profile

Provincia	BRESCIA
Regione	LOMBARDIA
ATECO	3530 - FORNITURA DI VAPORE E ARIA CONDIZIO
Macro Categoria	Estrattiva, raffinati, energia, acqua

Anno Bilancio	2013
Fatturato	€ 301.996.061,00
Valore Della Produzione	€ 319.938.003,00
Utile/Perdita	33.119.143,0000
EBITDA	€ 81.386.209,00
EBITDA/Fatturato	0,2695
ROE	0,0914
EBIT/Oneri finanziari	10,3480
Gearing	0,0000
Leverage	0,6884
PFN	-€ 419.985,00
PFN/EBITDA	-0,0052
Debiti / Fatturato	0
Margine di Struttura Primario	-164.619.807
Margine di Struttura Secondario	-164.619.807
Liquidità relativa	0,0000
Liquidità assoluta	0,0000

Semaforo		OK	
Perdita d'esercizio		Ok	10,3480
EBIT/Oneri Finanziari		Ok	€ 33.119.143,00
Patrimonio Netto		Ok	€ 362.432.759,00

KPIs: monitoring the evolution

Key Figures	YTD	% Success Rate	Pipeline	FY Forecast	Target	Δ% FY Forecast to target
Approved guarantees						
Approved Premia						
Gross written premia						
Settled claims						
- political						
- commercial						
Recoveries						
- political						
- commercial						
N. approved operations						
N. served clients						
LB						
SME						





KPIs: by geographical area



KPIs: by product

Product	Committments	Premia	Premium interest medium rate	Operations	Loss ratio ex ante
Buyer's Credit policy					
Supplier's Credit policy					
Investment policy					
Confirmation of letter of credit policy					
Financial guarantees					
Guarantees for the internationalisation of SMEs					
Surety Bonds					

KPIs: International network

KEY FIGURES	 Moscow		 Johannesburg		 Dubai		 Sao Paulo	
	YTD 2015	Goal	YTD 2015	Goal	YTD 2015	Goal	YTD 2015	Goal
Total Revenues (a)								
Origination Fees								
Contribution Fees								
Total costs (b)								
Preliminary request (c)								
Total (a+b+c)								
Business approved through SACE International network								
Committments								
Premium								
Number of transactions								

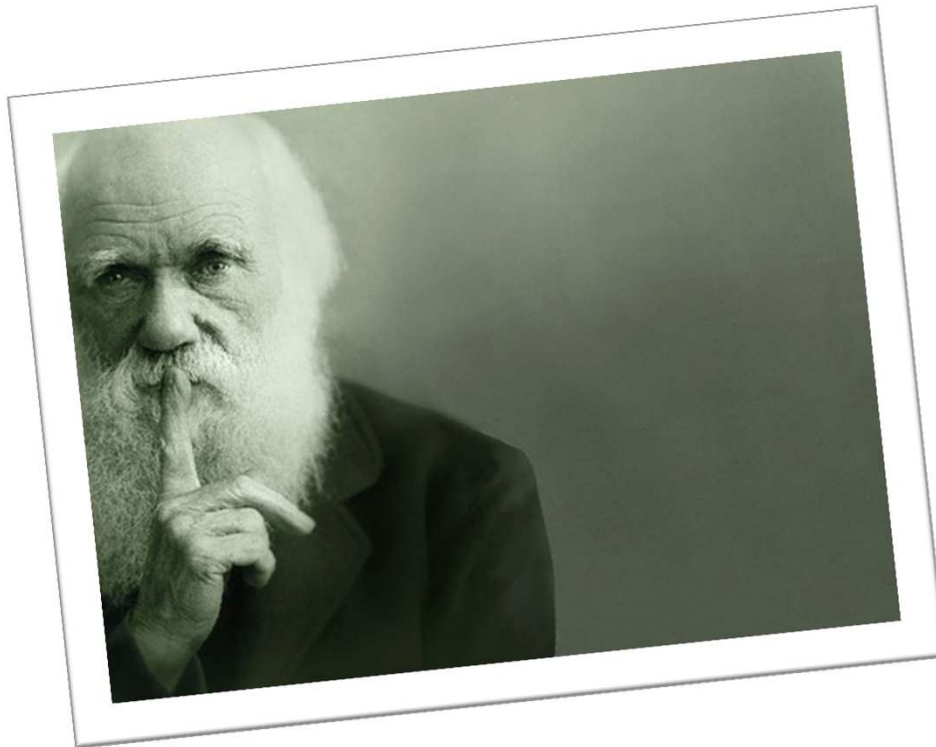
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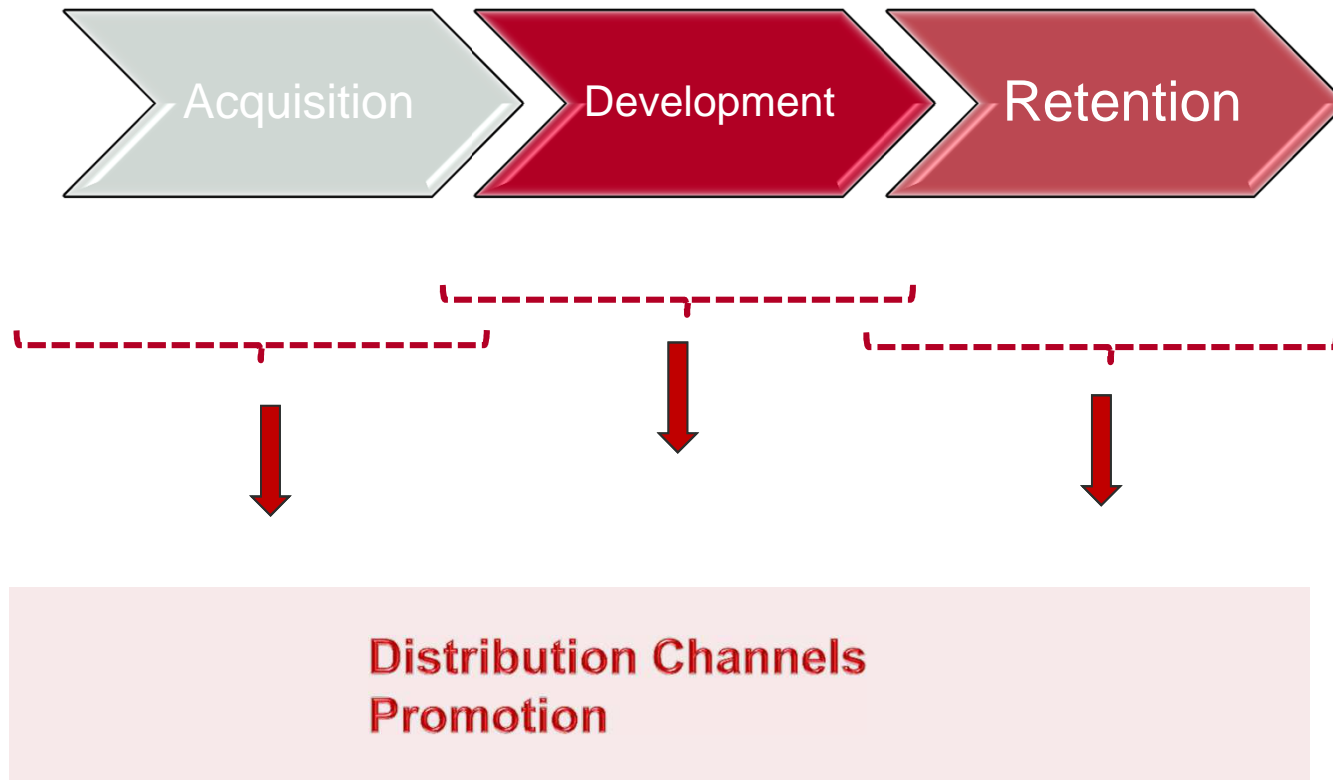
Be responsive, be resilient

It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.

Charles Darwin



Origination is the key



Distribution channels

Proximity

Domestic and International Network

- 14 Domestic Offices (of which 4 branches)
- 9 International Offices in major emerging and industrialized target markets and 1 Regional desk
- Direct contact point to help identify solutions
- Solid relationship with foreign player
- Fair and exhibitions
- Network or dedicated people or brokers
- Cooperation agreement with banks

Simplified process

Online Channel

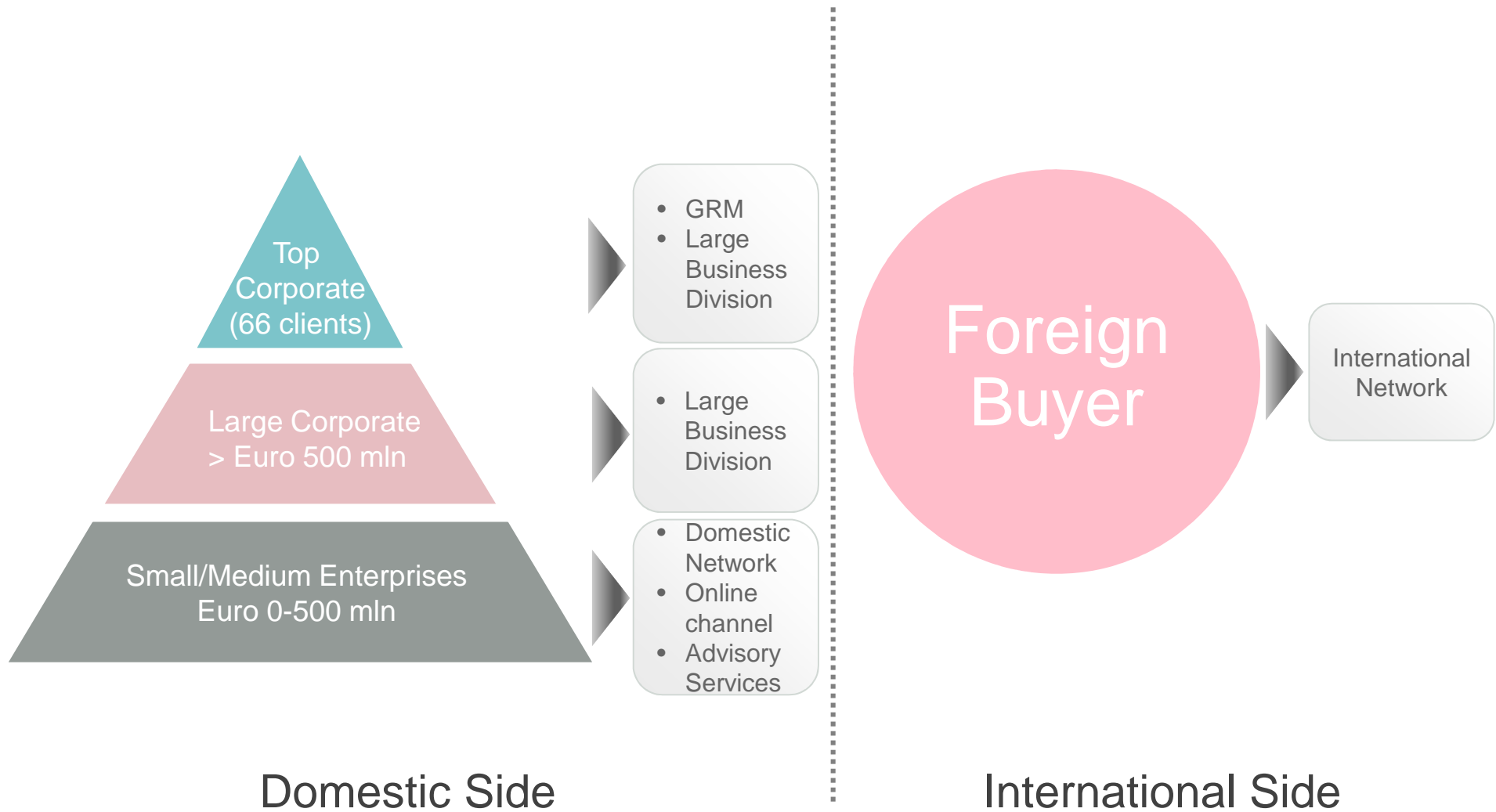
- Simplified application procedures
- Lower costs
- Faster feedback
- Preliminary assessments the reliability of a counterparty

Knowledge and expertise

Advisory Services

- Identification of best growth opportunities
- Assistance in the negotiation process
- Development of strategic plans to face global markets

Domestic and international model



Domestic and International Network

SACE's Domestic Network

- 4 branches and 10 offices
- 42 agents¹

Each domestic office acts as a reference for the internationalization of Italian companies (mid-cap and SMEs). Branch offices can manage the entire underwriting process independently: from enquiry and credit assessment to the issuance of the insurance policy.

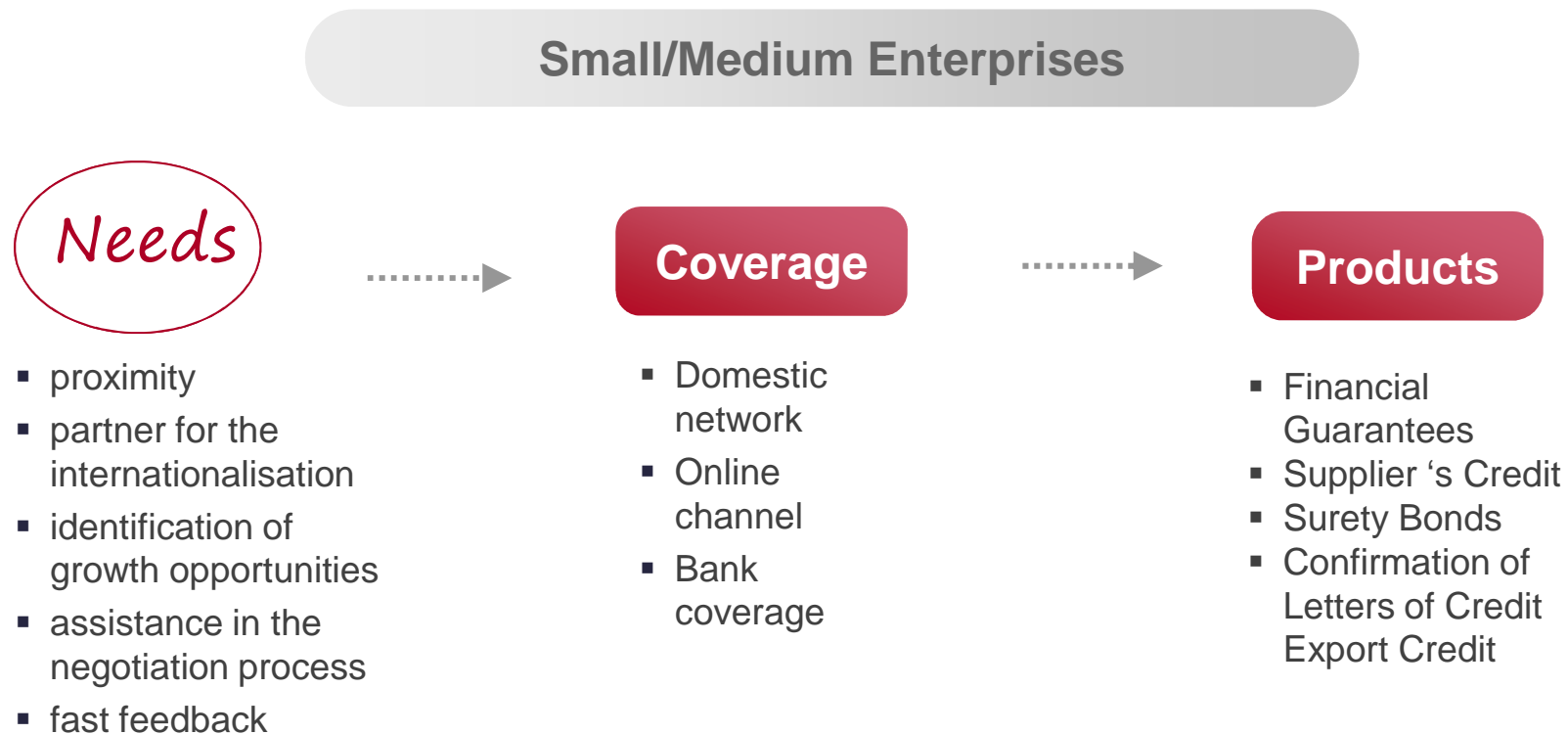


1) For credit insurance, surety and construction risk only

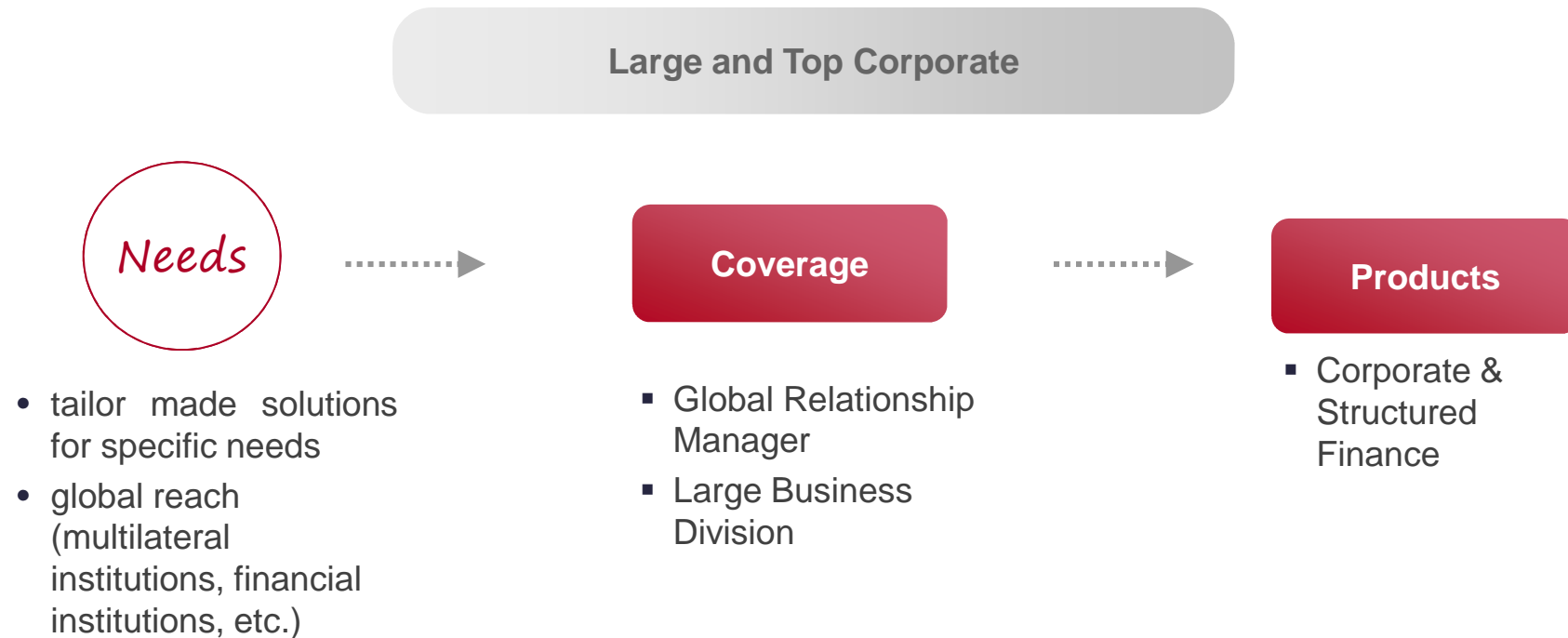
Domestic Side – SME’s: Client targeting strategies

SACE customers needs has imposed an analysis of the customer base in order to identify the best strategies to support them: “**one stop shop**”.

Direct contact point to help identify solutions: **Domestic Network**



Domestic Side – Large and Top corporate: Client targeting strategies



Domestic Side – Large and Top corporate: Client targeting strategies

Top Corporate

Global Relationship Manager

- The GRM is responsible for overseeing the global client relationship, setting the strategy and managing the core client team. GRM is dedicated to bringing the best of SACE resources to our clients
- The Global Relationship Manager must be ready to develop creative solutions for existing clients, as well as pursue new client opportunities
- This client-centric approach ensures that all practices and offices around the world follow consistent standards, etc.

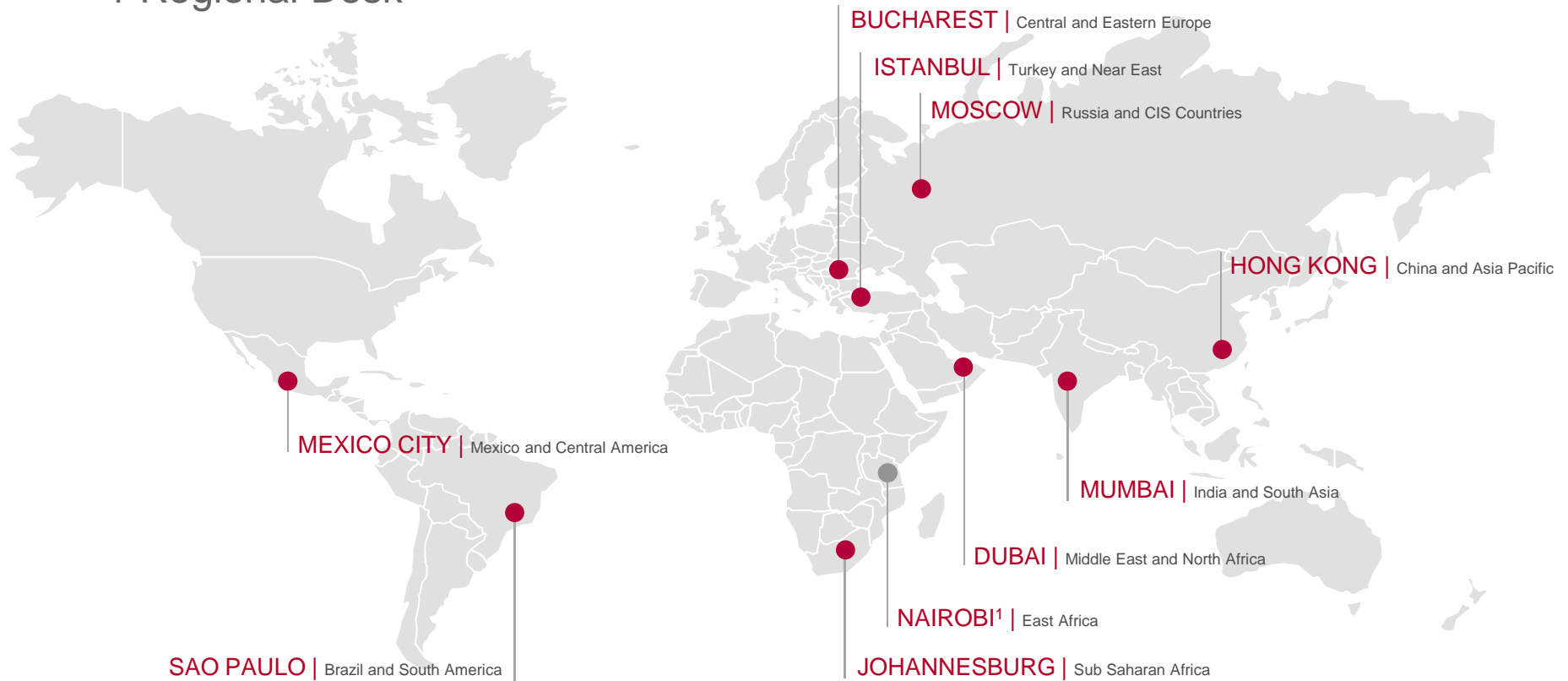
Large and Top Corporate

Large Business Division

- infrastructures & utilities;
- transport, financial services and special industries:
 - shipping,
 - aircraft, automotive and trains,
 - banks & special industries
- heavy industries:
 - oil&gas
 - petrochemicals
 - steel

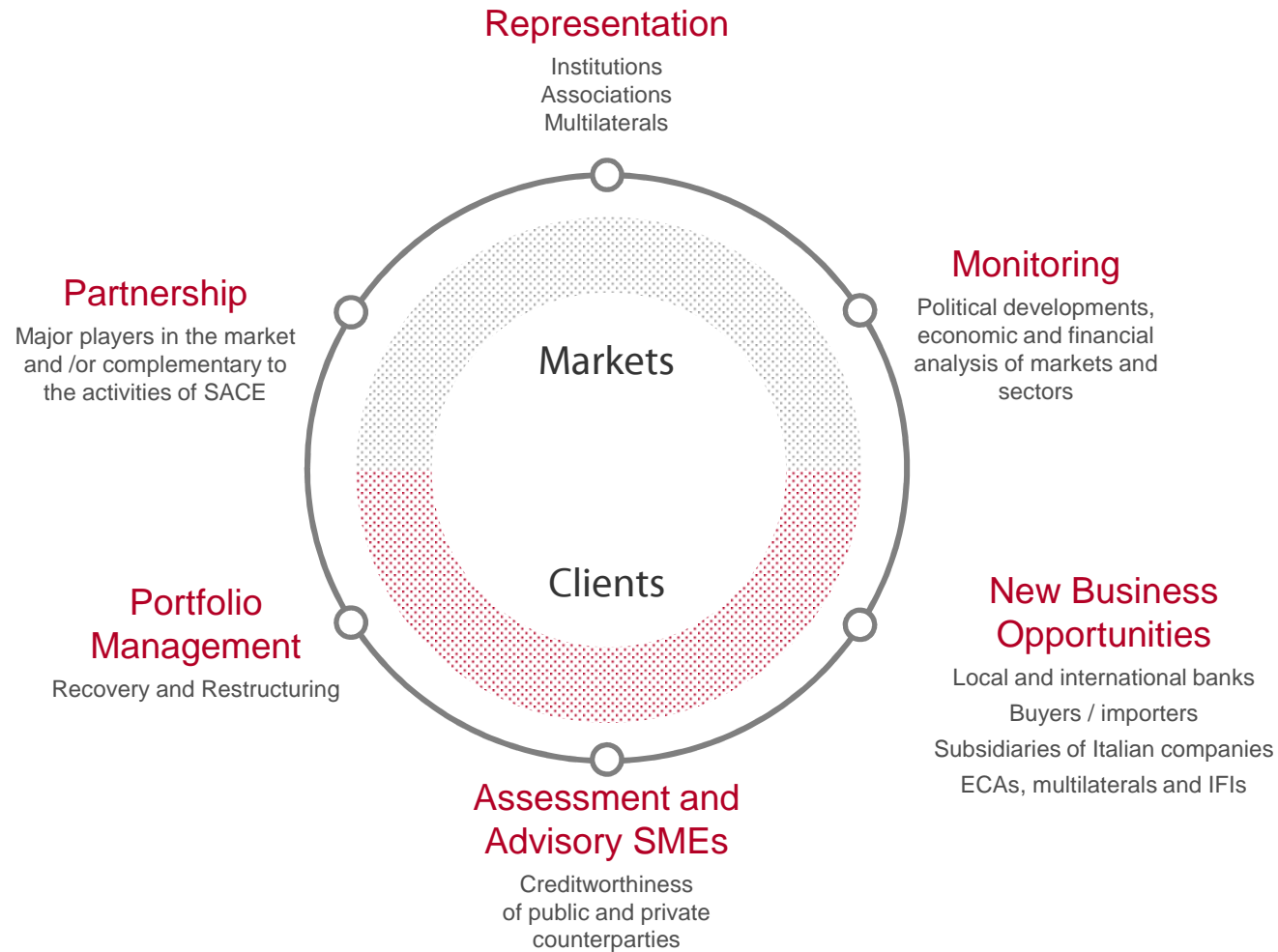
SACE's International Network

- 9 Representative Offices
- 1 Regional Desk¹



1) c/o African Trade Insurance Agency

The areas of intervention of the International Offices



SACE's International Network

SACE's International Network consists in 9 Overseas Offices and a Desk in Nairobi, acting as strategic regional hubs in all major emerging markets and developed economies of potential importance for the Italian exports.

The International Offices act as catalysts for export opportunities, assisting Italian companies to locate business partners and buyers overseas. Main activities can be resumed as follows:

- Work in close connection with Italian companies active in the region and their local counterparties (the Buyers)
- Scout new business opportunities and assist in the credit evaluation of local companies and/or local subsidiaries of international corporates
- Monitor macroeconomic developments and SACE's portfolio in the region (including direct contact with local MLAs, IFC/Worldbank offices, as appropriate)
- Arrange training programs 'made to tailor' for local companies, banks or ECAs
- Organise local events (e.g. seminars) to promote the internationalisation of Italian companies, working closely with the local Italian institutions (Embassy, Consulate, Italian Trade Commission, Chamber of Commerce, etc.).

The added value of SACE's International Network

Oversee the most dynamic markets, assessing opportunities and risks

Identify potential clients/investors

Facilitate the relationship between exporter and local counterparties

Provide support to find the most efficient structure for the transaction

Identify the best funding sources



The areas of intervention of the International Offices

In order to support the internationalisation of Italian firms, SACE signed partnership agreements with institutions and local counterparties offering complementary services in order to facilitate export activities.

Partnerships



International agreements with ECAs and financial institutions



Fairs and Exhibitions

Fairs and Exhibitions

- ✓ SACE takes part in National and International fairs exhibition in order to present insurance and financial tools seized to support the growth of SME's business.
- ✓ Supports clients in negotiation
- ✓ Main sectors: Agroindustry, Machinery, Technologies and Materials for processing and packaging, Plastics and rubber, Textile.



Dedicated people or broker

Dedicated people or broker

- ✓ Account Manager: responsible for the management of sales, and relationships with specific customers.
Dedicated portfolio and / or selected territories.
- ✓ Broker or agent: sells, solicits, or negotiates insurance for compensation



Cooperation agreements

SACE signed more than 20 agreements with domestic and international banks in support of SME internationalisation and 15 bilateral or multilateral agreement with governments, Chambers of Commerce, other ECAs.



Operational activities 2005 – 2015

- ✓ Guarantees approved: **3.759** (75% to SME)
- ✓ Credit line: **3,43** Bn Euro
- ✓ Commitments: **2,33** Bn di Euro
- ✓ Premia: **51,5** M di Euro

Reinsurance Agreements

- Austria, OeKB
- Belgium, Credendo Group (ONDD)
- Canada, EDC
- China, SINOSURE
- Czech Republic, EGAP
- Denmark, EKF
- Finland, FINNVERA
- France, COFACE
- Israel, ASHRA
- Germany, EULER HERMES
- Japan, NEXI
- Luxembourg, ODL
- Netherlands, ATRADIUS
- Norway, GIEK
- Poland, KUKE
- Portugal, COSEC
- Russia, EXIAR
- Saudi Arabia, ICIEC
- Slovenia, SID
- Spain, CESCE
- South Korea, K-sure
- Sweden, EKN
- Switzerland, SERV
- United Kingdom, ECGD (UKEF)
- United States, US Exim
- Multilateral, ATI (African Trade Insurance)

SACE Online Channel

- SACE Offer – Products & Services
- ExportPlus – The online Platform
- Online Products & Services
- FAQ

SACE offer – Products & Services

CREDIT INSURANCE

- **Supplier Credit**¹
- Civil Works
- **L/C cover**¹
- Buyer Credit
- Other insurance products for Banks
- *Multiexport & Global Multimarket*¹

FINANCIAL GUARANTEES

- Investment Financial Guarantee
- **SME Internationalization Guarantee**¹
- **Short Term Financial Guarantee**¹
- Working Capital Guarantee
- Financial guarantee on loan issue

PRE-UNDERWRITING CONSULTANCY

- **Preliminary Opinion**¹

INVESTMENT PROTECTION

- **Foreign Direct Investment**¹

SURETY BONDS

- Contractual Guarantee, **Counter-guarantee**¹ and Reinsurance
- Bond & Guarantee for law/duties obligations
- *Construction Risk Insurance*¹



1) Online products in **bold**; SACE BT products in *italic*

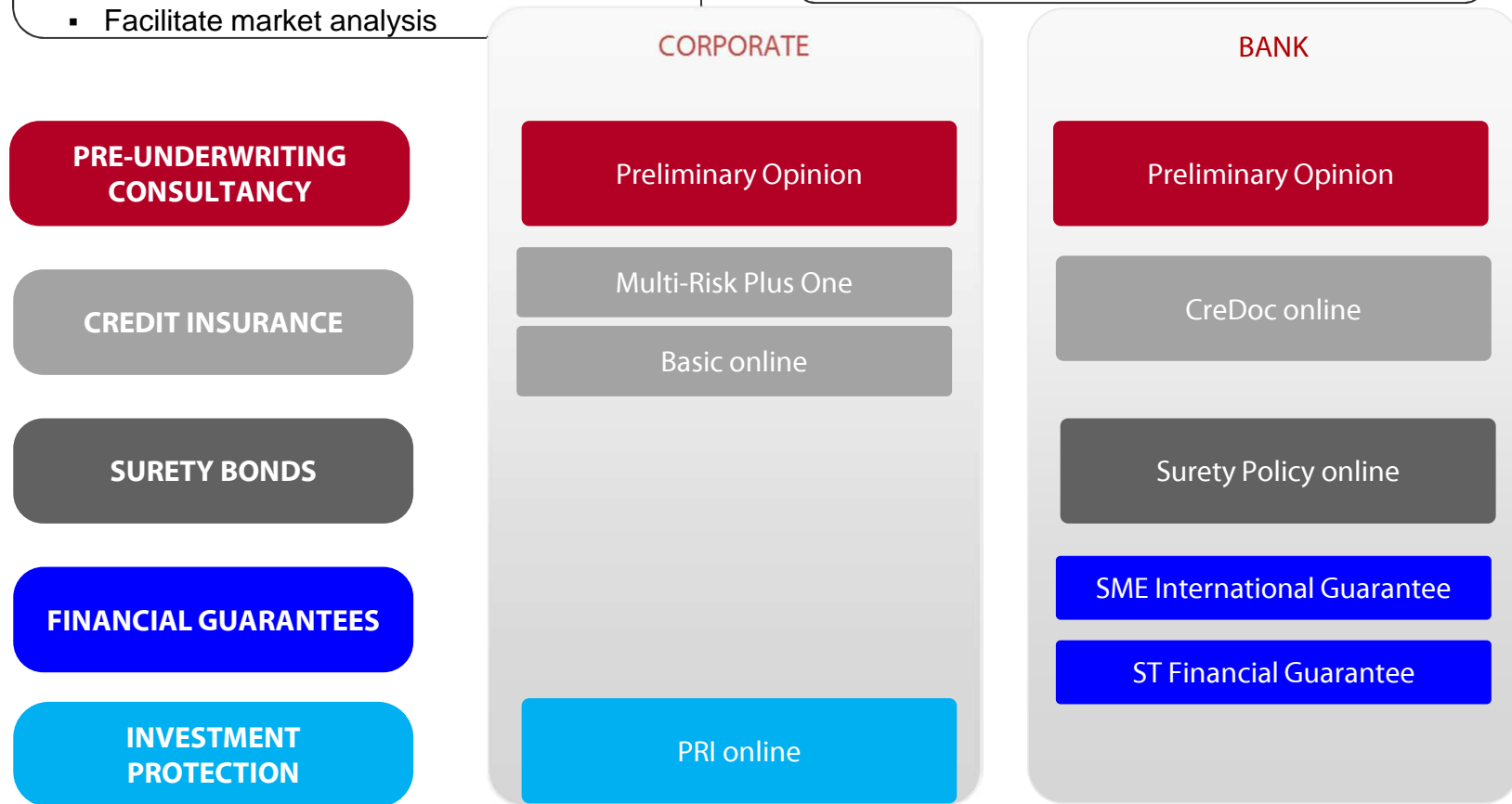
ExportPlus – The online platform

Online platform objectives:

- Provide info on Insurance Products
- Speed up info collection / underwriting phase
- Policy issuance
- Facilitate market analysis

Advantages:

- Shorter response time
- Simple product info and consultation
- Email alert for clients
- Online payments via credit card



Preliminary Opinion

Preliminary Opinion

Evaluation on: credit rating of the counterparties, transaction's feasibility, coverage and, when opportune, pricing range for the operation.
Pre-paid cards available.

Key characteristics

Risk type	Any, depending on the product/risk		
Counterpart at risk	Corporate	Bank	Country
Max payment deferment	No limits	No limits	No limits
Method of issuing	Case-by-case analysis	Automatic or Case-by-case analysis	Case-by-case analysis
Price	Depending on the risk.		

Supplier Credit

Multi-risk Plus One

Basic online

Basic online and Plus One are online supplier credit policies to protect foreign sales online, with simplified application form compared to traditional insurance policies.

Key characteristics

	Basic online	Plus One
Risk type	Credit risk	<ul style="list-style-type: none"> • Credit Risk • Pre-shipment cover • Unfair bond calling
Counterpart at risk	Corporate or Bank (guarantor)	
Max amount	500.000 €	5 Mln €
Max payment deferment	36 months	60 months
Time for preliminary investigation	7 days	

Credit transfer

Simplified online credit transfer without recourse for transferring rights under the insurance to a financial institution.

Corporate Online Evaluation

Service for obtaining real-time evaluation of foreign corporate for transaction up to 250.000 €.

Confirmation of Letters of Credit

Credoc online

This product allows banks to cover themselves against the risk of failure to repay documentary credit resulting from confirmation, by a foreign bank¹, of the opening of a documentary credit facility linked to any Italian company export or related activities².
The Credit Line policy allows the bank to obtain online insurance cover on the maximum amount requested from several banks (pre-selected by SACE) located in a single country.

Key characteristics

Risk type	Credit Risk - Political and Commercial events
Counterpart at risk	Foreign Bank
Max insurable amount	5 Mln €
Max payment deferment	60 months
Time for preliminary investigation	Real-time
Coverage	Up to 100%

1) Resident in a country other than that of the confirming bank

2) Supply of services, foreign studies and design activities

Surety Policy online

Surety Policy online

Guarantees required to take part in tenders, in Italy and abroad, so as not to lose business opportunities: Bid Bond, Performance Bond, Advance Payment Bond, Maintenance Bond, Money Retention Bond.

Key characteristics

Risk type	Performance Risk
Counterpart at risk	Italian enterprises
Max insurable amount	5 Mln €
Tenor	Up to 5 years
Coverage	Up to a maximum of 70% of the bond

Political Risk Insurance

PRI online

Political Risk Insurance (PRI) protects overseas investment against political risk – such as nationalization, embargo or civil disorders – which may cause loss of the invested capital. Insured operations include: equity contribution, financing to foreign owned company, guarantees for financing from third party.

Key characteristics

Risk type	Investment risks ¹ – Political events
Counterpart at risk	Country
Max insurable amount	5 Mln €
Tenor	Up to 10 years
Coverage	Up to 100%

1) Loss of capital invested abroad and loss of any sums due to the Italian investor in relation to its foreign investment

SME internationalization Guarantee

SME Internationalization Guarantee

This product guarantees loans financing the internationalization of Italian SMEs (supply of goods and services or the execution of civil works) thanks to the master agreements between SACE and several financial institutions.

Key characteristics

Risk type	Credit Risk – Non-repayment of the loan
Counterpart at risk	Italian enterprises
Max insurable amount	5 Mln €
Tenor	Up to 7 years
Coverage	Up to a maximum of 70% of the loan

ST Financial Guarantee

ST Financial Guarantee

This product guarantees loans financing:

1. working capital (raw materials, semi-finished products) relating to export operations;
2. advances on export trade receivables or export contracts;
3. funding related to internationalisation activities.

Key characteristics

Risk type	Credit Risk – Non-repayment of the loan
Counterpart at risk	Italian enterprises
Max insurable amount	5 Mln €
Tenor	From 6 to 18 months
Coverage	Up to a maximum of 70% of the loan

Presentazione live export plus

<https://training.exportplus.it>

<https://training.exportplus.it/work/Backoffice>

The screenshot displays the ExportPlus website interface. On the left, there is a dark grey sidebar with the ExportPlus logo (a stylized sun icon) and the text "EXPORTPLUS GRUPPO SACE". Below the logo, it says "EXPORT ASSICURATO IN UN CLICK". The sidebar contains a "Q&A" section with a "Registration" link, and a login form with fields for "username" and "password", an "Enter" button, and a "recovery password" link. The main content area is white and features a "Welcome to ExportPlus," heading. Below the heading, it states "a set of online services created to support the presence of Italian Companies abroad." The text continues: "With ExportPlus, SACE becomes the partner of Italian Companies in their foreign business, granting against non payment risks and enabling an immediate credit liquidity." It then describes the service: "ExportPlus supports Italian exporters since the first steps of the commercial contract negotiation, by offering the Preliminary Evaluation service, which is a feasibility analysis of the coverage and an evaluation of the insurance quote. In the following steps of the negotiation, SACE assists exporters by releasing a policy, which also allows the assignment of the insurance cover rights to a financial institution. SACE ExportPlus policy covers up to 100% of credit risks and permits to manage online the whole insurance procedure." Further down, it mentions "ExportPlus throughout a high level of digitalization sets up a complete transparency of the relationship between SACE and the exporter, thanks to the use of advanced IT tools." At the bottom of the main content area, it says "For further information please read the **Q&A section** or contact our information service by sending an e-mail to **info@exportplus.it**." In the top right corner of the main content area, the word "Italiano" is visible. At the bottom of the page, there is a dark red footer bar with the text "© 2015 SACE - Terms & Conditions - Privacy Policy".

FAQ

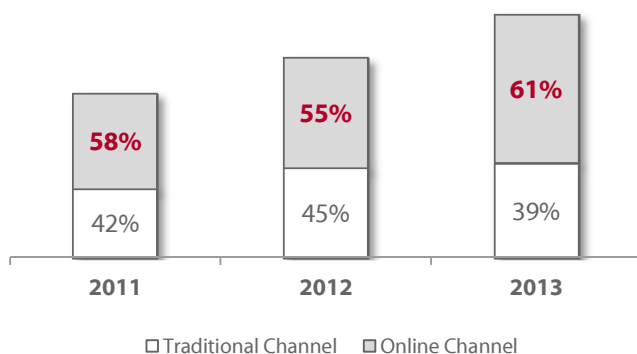
- **Who's got access to your on-line systems?**
- **Do Banks have centralized or decentralized access?**
- **Does any product entail banks submitting their own credit assessment?**
- **Is it possible for a bank or an exporter to take out the documents (i.e. guarantee policy, terms and conditions) directly from the on-line system?**
- **Do you offer any product from your core business outside the system ('manually') or are all your products accessible through the online system?**
- **KYC is important for banks. Have you got any product where you have performed KYC checks on behalf of the banks?**
- **What are your general experiences with the online system? How has the development in volume, applications etc. been? Have you experienced an increase in interest?**

ExportPlus: channel utilization

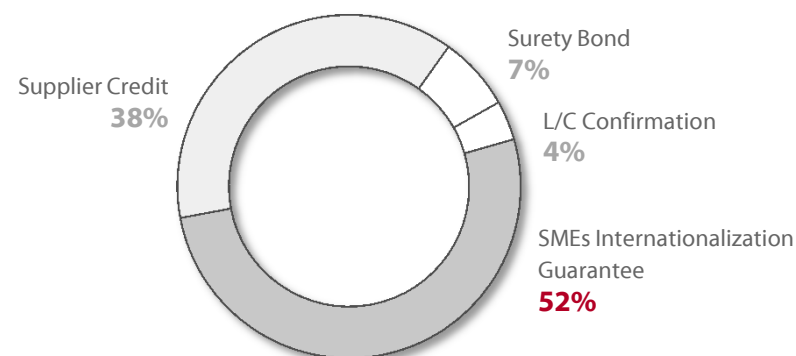
The 'Export Plus' Platform has become a major tool for SACE's clientele, in particular SMEs, to obtain policies and/or preliminary assessments. The results achieved over the years indicate a growing trend: in 2013 over the 60% of transactions approved was processed through the online channel.

As to the response time, the average period necessary for the issuance of a standard Supplier Credit policy with online application is 9 days (compared to 15 days through the traditional channels).

SACE's New Guarantees (% online vs. traditional)



2013 New Guarantees by Product (% , online channel only)

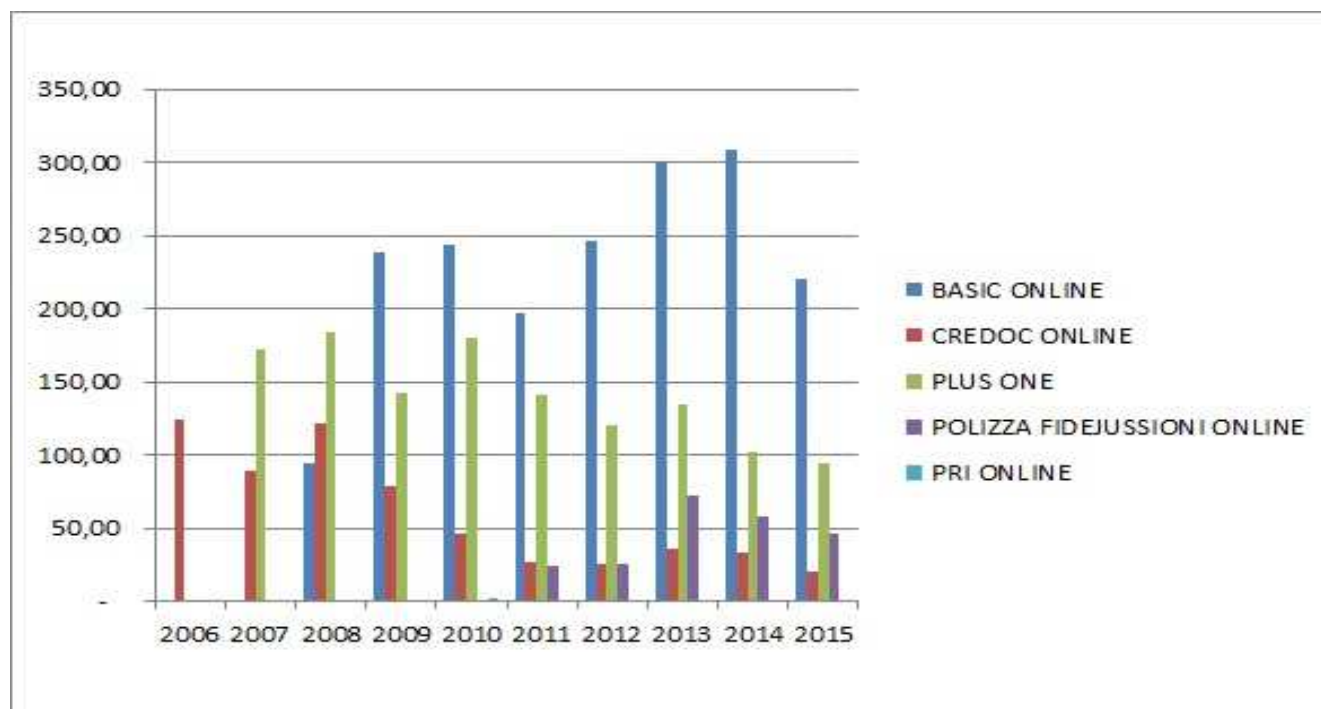


An important tool for Italian SMEs: SACE's Internationalization Guarantee

SACE's guarantee for internationalization of SMEs aims at guaranteeing banks for loans granted to SMEs for their internationalization purposes. This product addresses in specific the target of facilitating SME access to financing. Such financial guarantee is also available for large corporates (e.g. in case of M&As, research and development investments).

Export Plus results

Since the introduction of Export Plus more than 4500 requests have been forwarded to the system and 2831 have been finalized.



Training and Advisory

Training and Advisory Services

Global Solutions

Global Solutions is a SACE's dedicated service, providing advisory and training programs aimed at transferring own experience and know how to ECAs, ministries and financial institutions

Advisory SMEs

Italian businesses can count on SACE's consultancy services in every stage of their internationalisation project: from planning to assessing opportunities and risks, to realisation, management and monitoring of activities

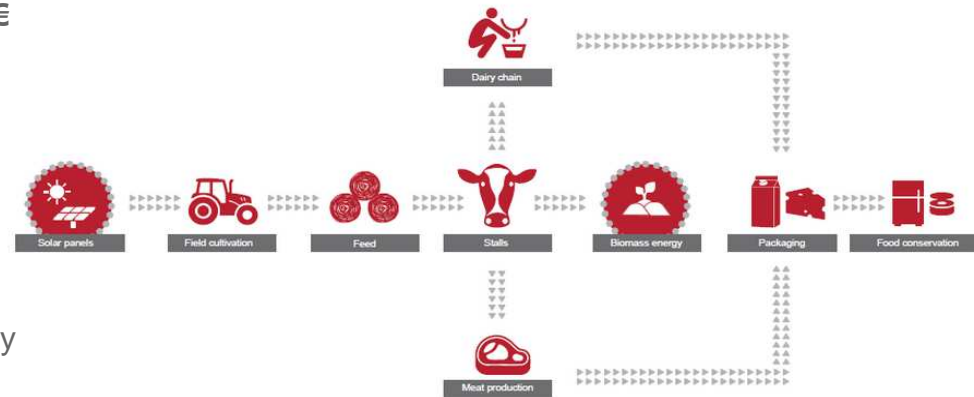
Since 2004, SACE has provided Training and Advisory services through a dedicated structure in order to transfer experience and know-how. The activities have been recently enhanced and widened as to address:

- **ECAs, Banks, Financial Institutions and Multilaterals:** sharing best practices and know how enhances mutual understanding and facilitates cooperation
- **Italian companies** – with a focus on SMEs – in their internationalization process: SACE acts as a partner and assists SMEs in their growth on international markets, hence its support goes beyond the product offer.

Advisory SME: Kenya project on dairy and meat chain

Key Project in a strategic sector

- Creation of a **25 M€ integrated dairy farm** “from feed to cheese”
- State of the art technologies allow **10X productivity increase** vs Country average



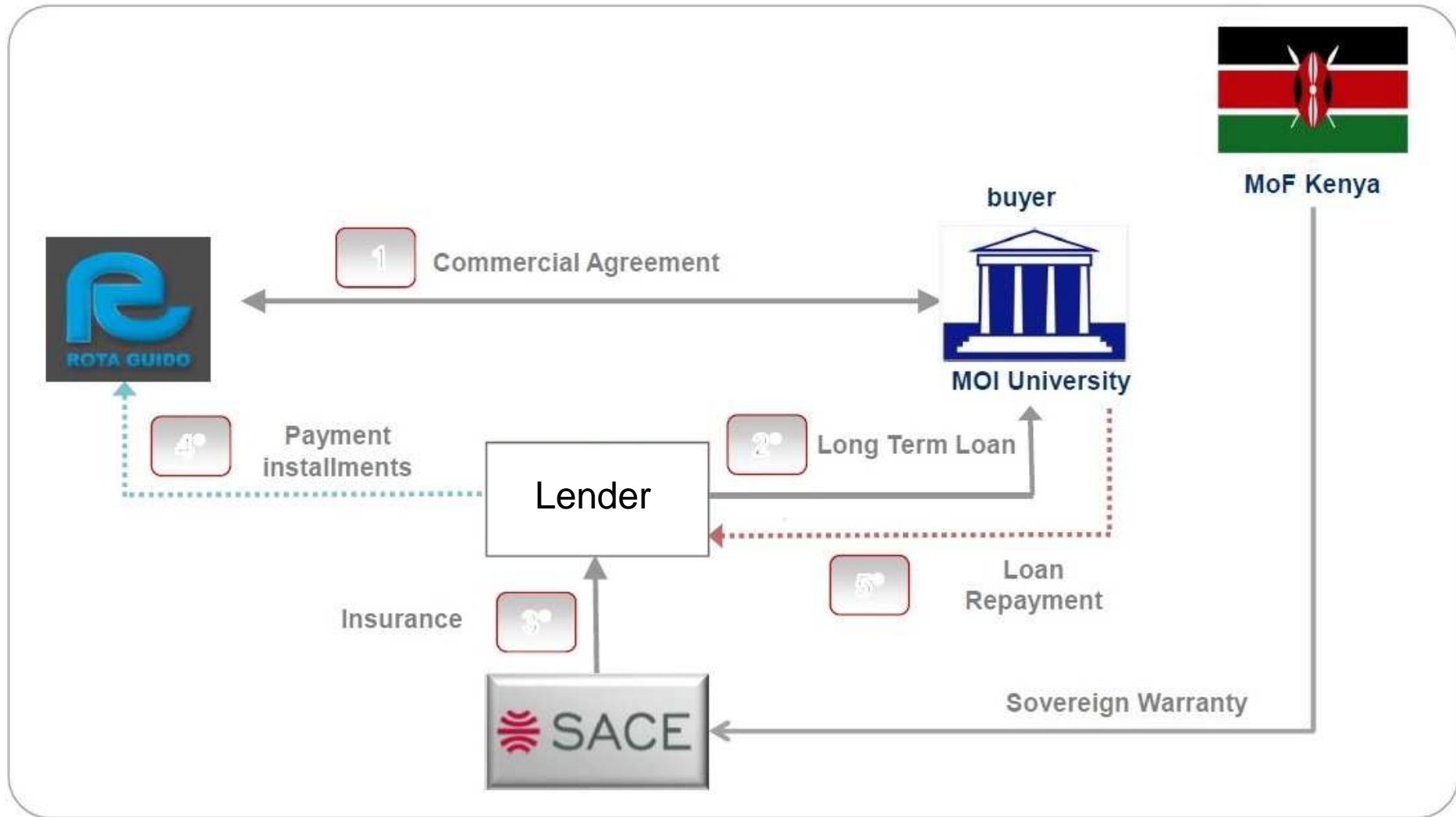
Attractive Financial Structure

- **100% financed** through an Italian Bank + only land as equity provision
- Transaction backed by State Guarantee 100% **counter guaranteed by SACE**
- **Payback period ~7 years**

Benefits for all stakeholders involved

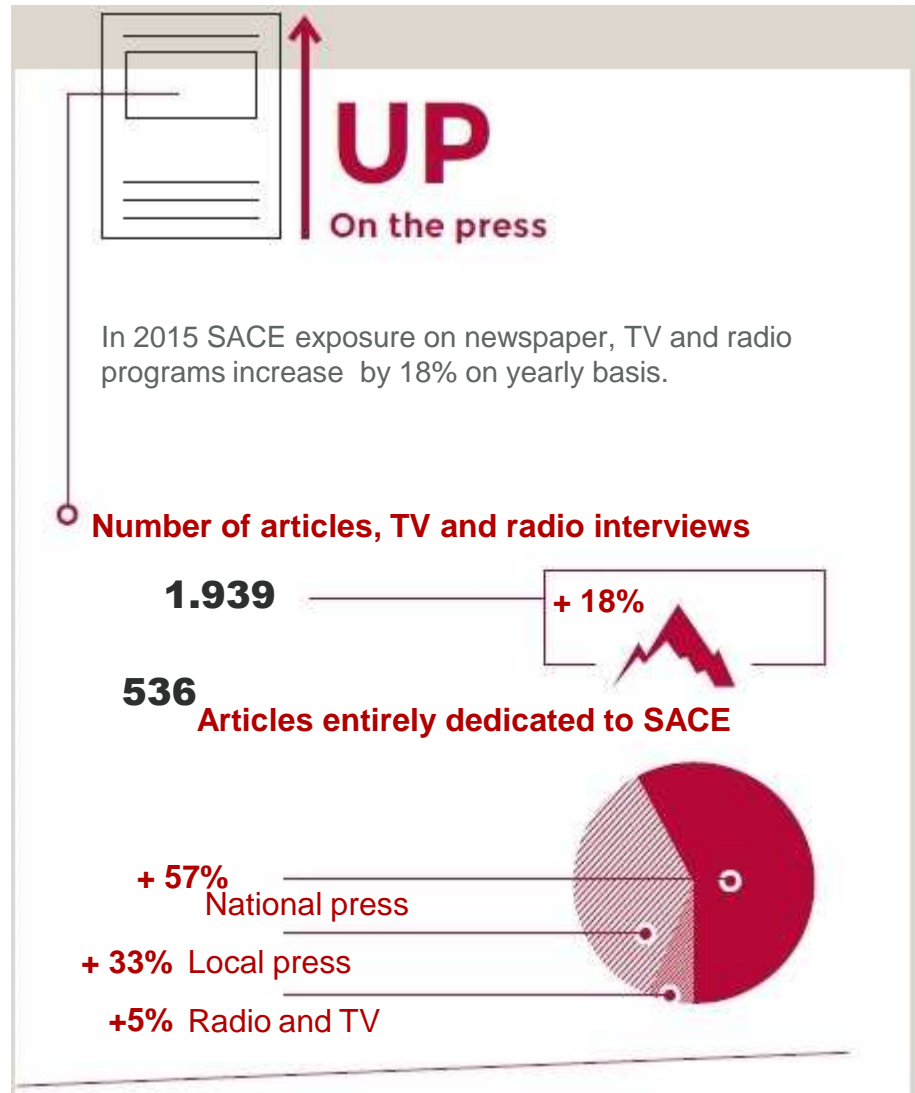
- The investment contributes to **fill the current gap in milk production** vs domestic demand
- Through the involvement (as buyer) of a leading University, Kenyan authorities make a **long term investment in know how in the sector**, and are currently considering similar projects in other Regions
- Also **local farmers** can benefit from the infrastructure and know how

Advisory SME: Kenya project financing structure

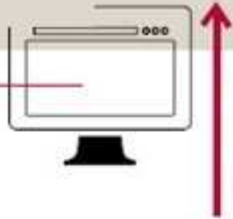


Our Promotion: SACE on media


Promotion: SACE on the press




Promotion: SACE online and on stage




UP
Online

272.368 


User of the new SACE website launched in 2014 (+36%)



+43% 

Follower Twitter
1.990

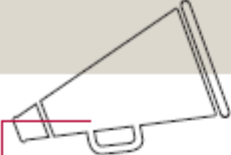
+51% 

Follower LinkedIn
5.719

312.430  Email to the clients

Web ranking Award for SACE website and launch of the new APP



UP
With our client

In 2014 SACE gave voice to 200 clients through interviews, video, press release and tombstone

200
Clients

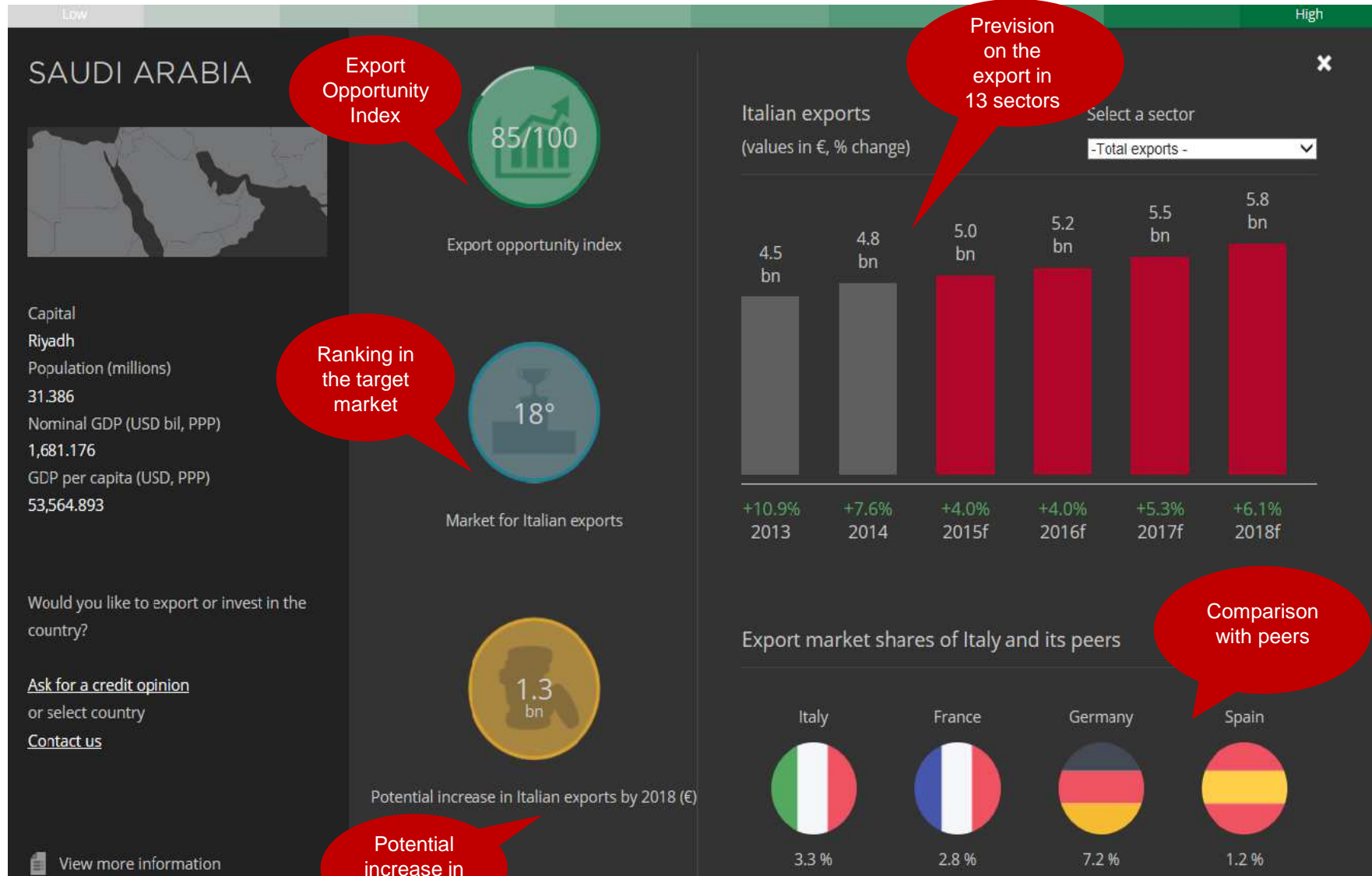
Press release	138	Tombstone	85
Interviews	49	Video Interviews	8

Export Opportunity Index

SACE's Export Opportunity Index



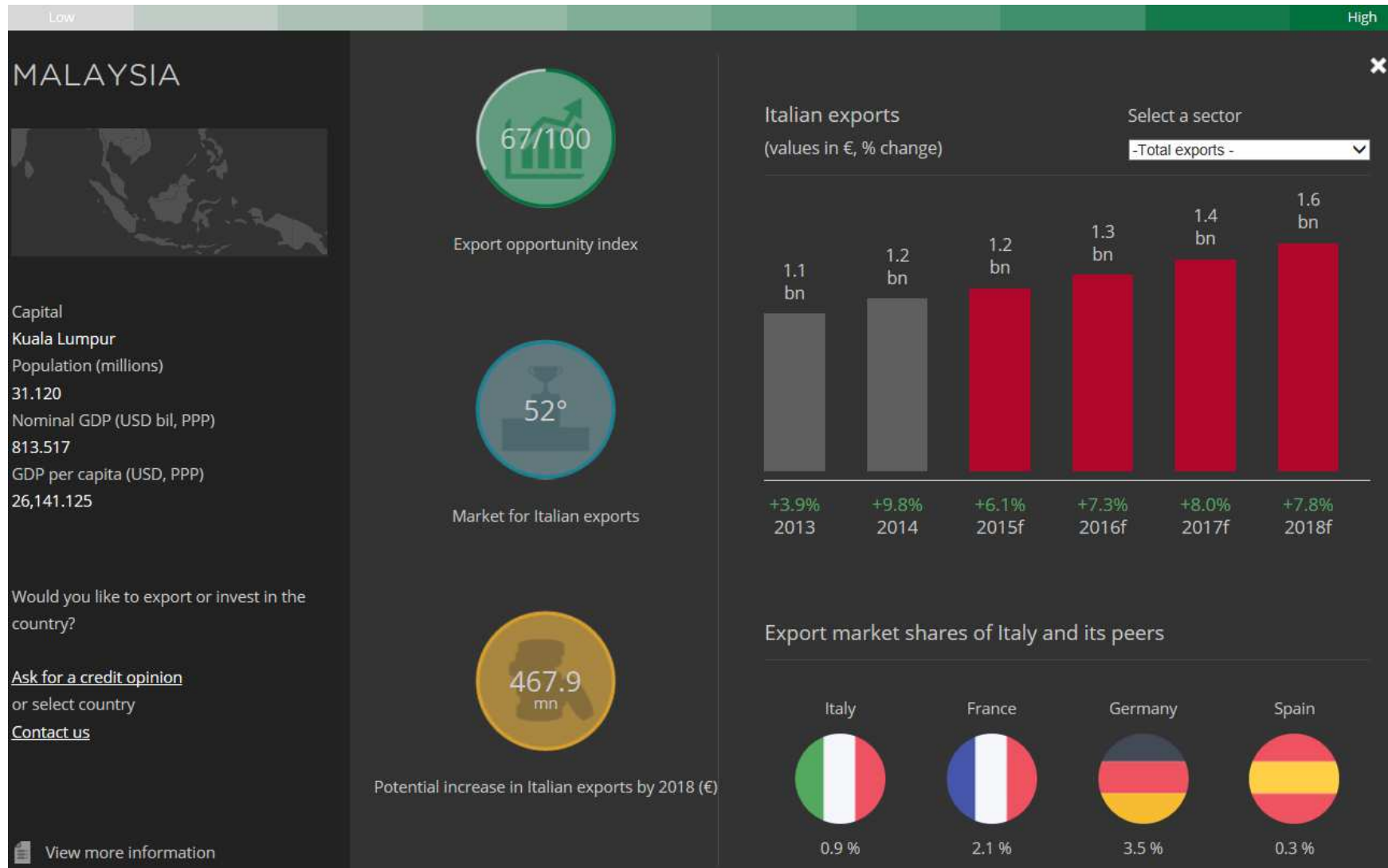
SACE's Export Opportunity Index – Saudi Arabia



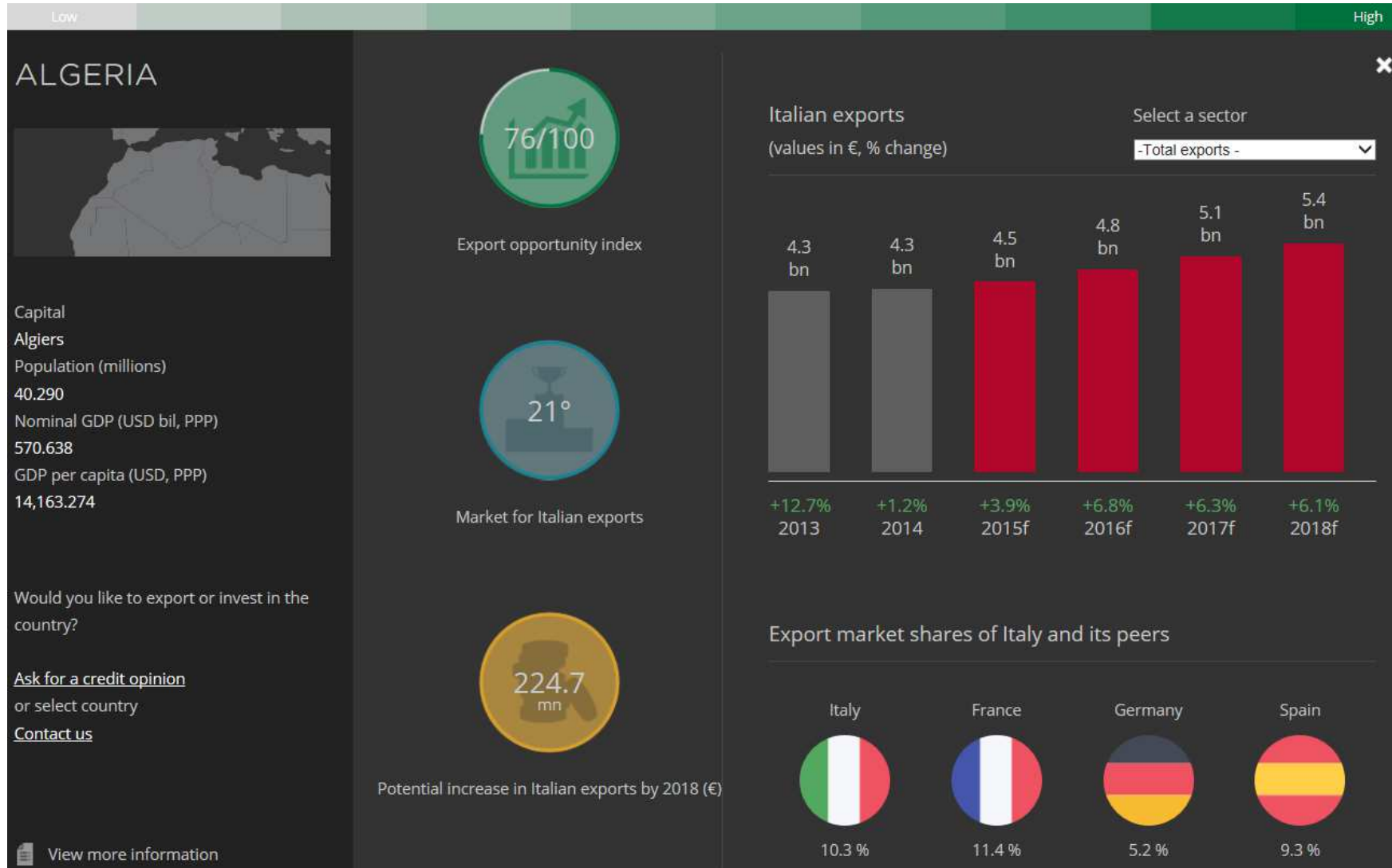
SACE's Export Opportunity Index – Egypt



SACE's Export Opportunity Index – Malaysia



SACE's Export Opportunity Index – Algeria



SACE's Export Opportunity Index – Criteria

The index is calculated by weighing four variables:

- Total value of (Italian) export to the Country
- Average growth rate of (Italian) exports to the country (2011-2018f)
- Diversification / concentration of the country's imports
- Share of the country's imports from Italy

Let's discuss

- It is important to diversify the distribution channels
- SACE business model approach focuses on direct contact with the client through domestic and international offices
- The utilisation of online channels allow the ECA to interact with potential clients saving time and increasing efficiency
- Sharing know how and experience through advisory services.
- Promote your business and your clients using dedicated tools.
- SACE developed an Export Opportunity Index methodology and export map with the aim to discover opportunities for Italian exports.



Overview

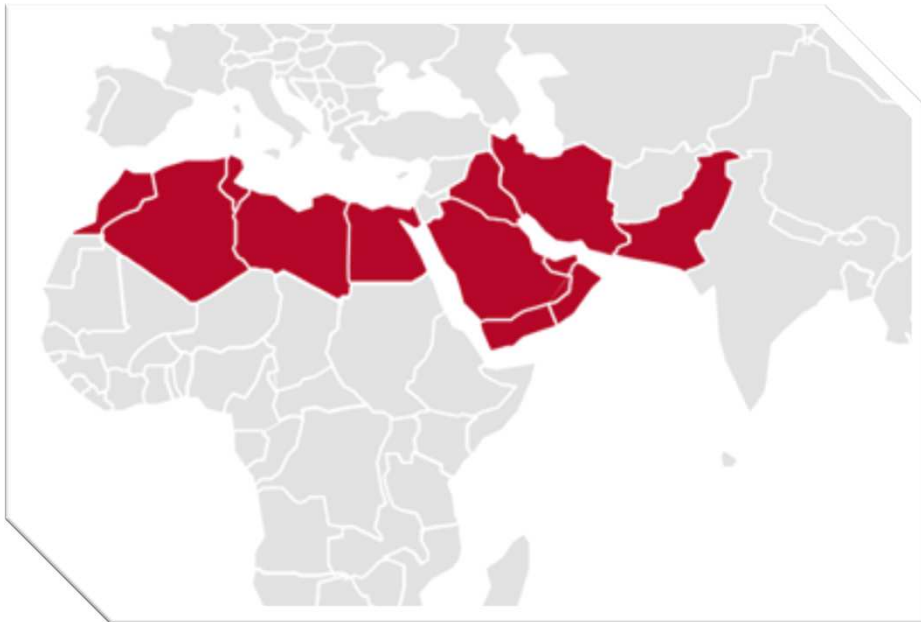
1	CRM – Customer Relationship Management
2	Defining the target
3	Who's the customer for an ECA
4	SACE's Approach
5	Distribution channels and Promotion
6	Our experience on the ground
7	Risk assessment
8	Relation with the client

Focus on MENA Region



SACE Dubai Office

SACE opened in February 2016 a new office in Dubai which is evaluating over € 5 billion of new projects and will act as the company hub for Middle Eastern and North African markets.



“Closely overseeing this area is indispensable today and strategic for the future”

SACE's activity: focus on Middle East and North Africa



Most of SACE's total exposure towards the Middle East and North Africa* is concentrated in the Gulf countries: Qatar, Oman, Saudi Arabia and UAE(65%). Egypt and Iran are markedly increasing their role within SACE portfolio.

In 2015, SACE approved 190 new guarantees to support export of goods and services to the MENA region amounting to EUR 2.8 bln. Out of these transactions, the majority is linked to contracts closed by SMEs (with an average size of less than EUR 1 million).

SACE is currently evaluating additional projects for a total amount of more than EUR 5 billion in the region.

* Middle East and North Africa include Algeria; Bahrain; UAE; Egypt; Iran; Kuwait; Libya; Morocco; Oman; Pakistan; Qatar; Saudi Arabia; Tunisia; Yemen

SACE's strategy in the Middle East and North Africa

- MENA Region represents a strategic market for SACE with growing counter-trade and investments directed from and to Italy.



Ansaldo Energia
A Finmeccanica Company

€ 210 mln
Guarantee

Improvement of power generation capacity of the "6 October" site

2014 Egypt



Qatar Petroleum Barzan

USD 355 mln
Guarantee

Gas extraction, processing and retail by Italian suppliers

2011 Qatar



GHC

USD 500 mln
Guarantee

Steelmaking plant with Danieli equipment

2010 United Arab Emirates



ASTALDI

€ 50 mln
Guarantee

Rail road construction

2013 Algeria



PIACENTINI COSTRUZIONI

€ 13.7 mln
Surety Bond

Zuwara harbour renovation&maintenance

2013 Libya



PROGER
engineering & management

€ 6 mln
Guarantee

Review&supervision of engineering projects

2013 Saudi Arabia



PIZZAROTTI
fondata nel 1910

€ 10 mln
Surety Bond

Hospital construction

2013 Kuwait

GCC: different markets, multiple opportunities

“ GCC represent a global hub for trade between Asia, Europe, Africa and North America
Ernst & Young's Rapid-Growth Markets Forecast ”

- The UAE are emerging as global economies and in the last 10 years doubled their contribution to the global GDP
- UAE economic growth projection in the next years will exceed 4% (source IMF) and will be higher than the one in the Eurozone
- The UAE represent attractive FDI destinations thanks to an improving business climate. According to World Bank *Ease of Doing Business* and World Economic Forum *Global Competitiveness Report*, United Arab Emirates climbed to the top ranking positions
- The Emirates' traditional strengths of well-developed infrastructure, cross –border initiatives, long term strategies, and ease of doing business offers international investors easy access to many of the world's fastest-growing markets



North Africa: hot topics and evergrowing occasions

- After an economic slowdown that affected the area in the latest years, an improvement is expected by 2017 with a growth rate of 3-3.5%
- In 2014 Italy exported goods and services in North Africa for 14 Bn Euro. Future opportunities may emerge from mechanical engineering, refining, heavy infrastructures and defense sectors
- Moroccan stability - as important hub to reach the Sub-Saharan Africa - Algerian diversification, Egypt's revival and the Tunisian democratization path represent hot topics for the coming years



Let's discuss

- A constant introspection and market analysis are successful keys in order to be competitive
- Analyze the banking market
- Analyze the private sector scenario
- Nothing can substitute an 'on the ground' presence



Overview

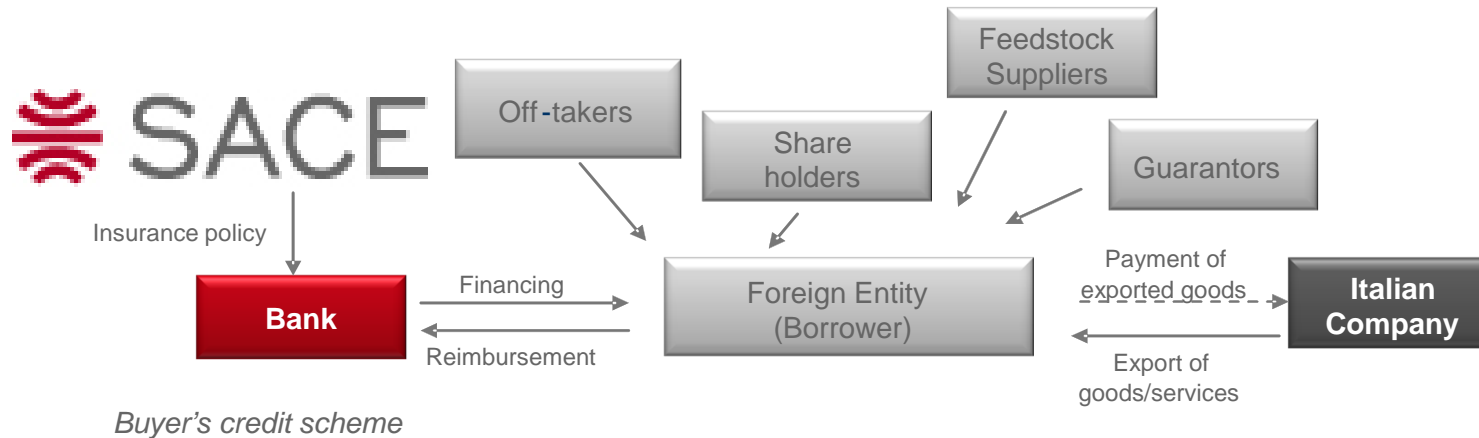
1	CRM – Customer Relationship Management
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1° Meeting – usefull information

- ✓ Turnover (YTD and history)
- ✓ Employees (YTD and history)
- ✓ Date of establishment
- ✓ Basic information on ownership, management, experience
- ✓ Nature of the company (family owned company, listed)
- ✓ Target markets



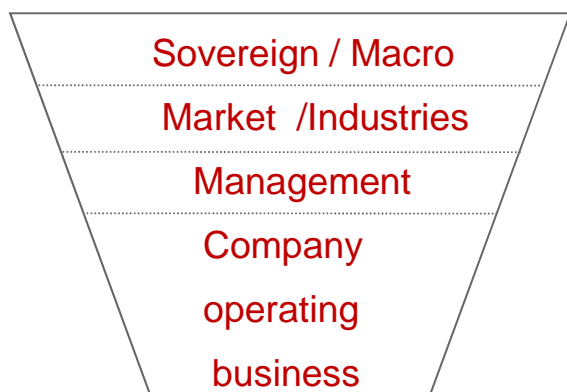
The credit base: where is the risk?



- Since SACE products range is so diversified the initial step is identifying where the credit risk is and who is the main financial source for debt repayment
- Debtor can vary also in relation to the complexity of the transaction structure
 - ✓ Guarantor
 - ✓ Major client (concentration risk)
 - ✓ Suppliers
 - ✓ Group lending (shareholder, parent, major subsidiary)
 - ✓ Commercial agreements i.e. take or pay contracts
 - ✓ Others

Qualitative assessment

Operating and industry risk can affect the borrower business. To properly consider all the different aspects, we normally look at the following critical elements:



economic, political / country risk, legislative and regulatory risk
Industry cyclical, sector regulation
Quality, stability, if well known, experienced, skilled
Vertical integration, market share, business diversification
Years in business, products (quality, prices, image, distribution)
Client base, (quality, prices, image, distribution)

+

Company's reputation

Payment track record

Sace experience

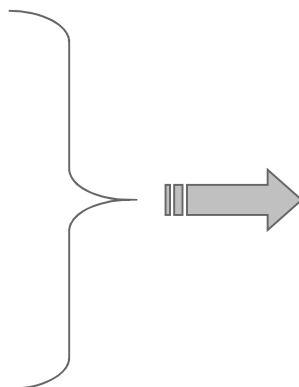
market, other ECAs

official information providers normally signal if the borrower has experienced any payment irregularity

if the company is a client we give strong importance to the previous payments history

Quantitative assessment – Data collection

- ✓ Directors' Report
- ✓ Auditor's report
- ✓ Profit & Loss
- ✓ Balance sheet
- ✓ Cash flow statement
- ✓ Notes to the accounts



In other words, the most up to date annual report:

- i) compliant with IFRS
- ii) certified by auditors



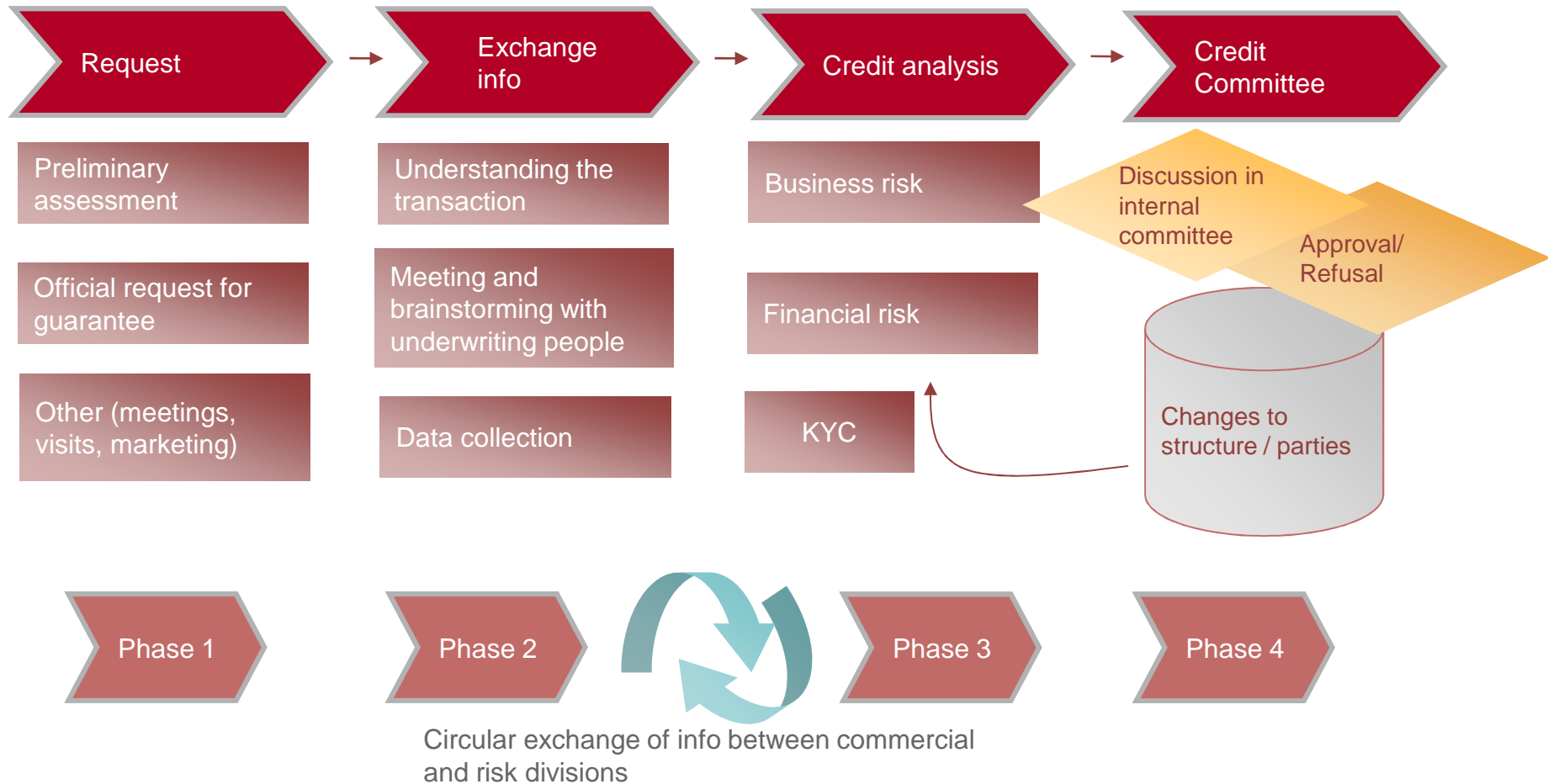
Other essential documentation in the credit package:

- ✓ The insurance application request from the exporter
- ✓ Info providers (D&B, Creditreform, Lince, Honyvem, etc...)
- ✓ Bank or third party due diligence
- ✓ Exporter details and financials
- ✓ Others (independent studies, previous transaction with the same borrower etc...)

... we often deal with poor and limited information

... support of local branches and institutions is essential (Embassies / ICE Offices / other ECAs, Banks)

The internal process



Know Your Customer Procedure

Reputational database: from 2012 SACE has been engaged a check procedure on the relevant reputational databases about counterparties (i.e. insured banks, exporters, debtors, guarantors, beneficiaries, and sponsors, as appropriate) on IFI debarment lists.

SACE structure conducts an enhanced **due diligence on the transaction** if the databases reveal that a SACE insured party or exporter has been convicted or subject to any measures or there is reason to believe that bribery may be involved in the transaction.

If due diligence process reveals **evidence of a violation of international laws** against bribery of foreign public officials, the Litigation Department is informed thereof and evaluates whether to report to the law enforcement authorities. If it is proven that bribery was involved, the relevant SACE structure informs the Litigation Department thereof and the Litigation Department immediately informs the law enforcement authorities.

Let's discuss

- Debtor can vary in relation to the complexity of the transaction structure so the initial step is to identify where the risk is
- Quantitative and qualitative assessment: ratio analysis
- Take in count the reputational risk and evaluate your counterparties



Overview

1	CRM – Customer Relationship Management
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Strategy

“If the strategy is wrong, the situation does not improve by increasing resources and troops”

Carl von Clausewitz

Relationship with the client: main steps

1 First approach to the client

Instill confidence in the customer to share info/strategic choices.



Become the main partner for the customer's business.

Help the client understanding the **diversification/portfolio balance** in a sustainable relationship view.

2 Is the product fit?

Understanding of the specific economic-financial-political environment, and of the main features of the contract offered to the client.

Analytics ability to face a wide variety of operations, together with accounting knowledge...Keep in mind: we are buying risk!

Relationship with the client: main steps

3 360° assistance

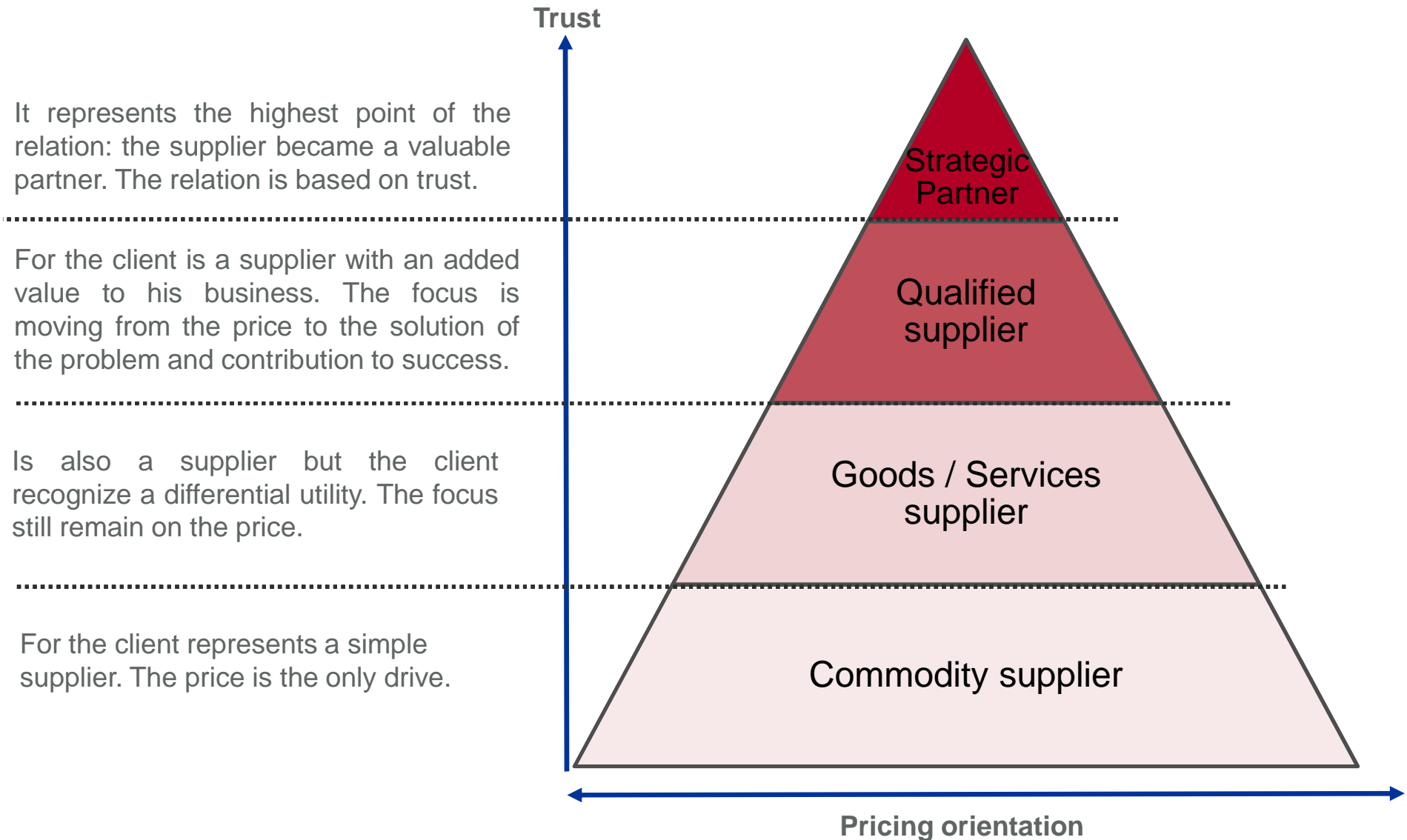
Provide support in case of contract changes, legal issue, restructuring, recovery tools, etc..

4 Taking care of the relationship



- ➡ Managing the relationship after the acquisition to provide continuity
- ➡ Arrange periodical meetings according to potential business volume

How to improve the relationship with clients



The relation with client: guidelines



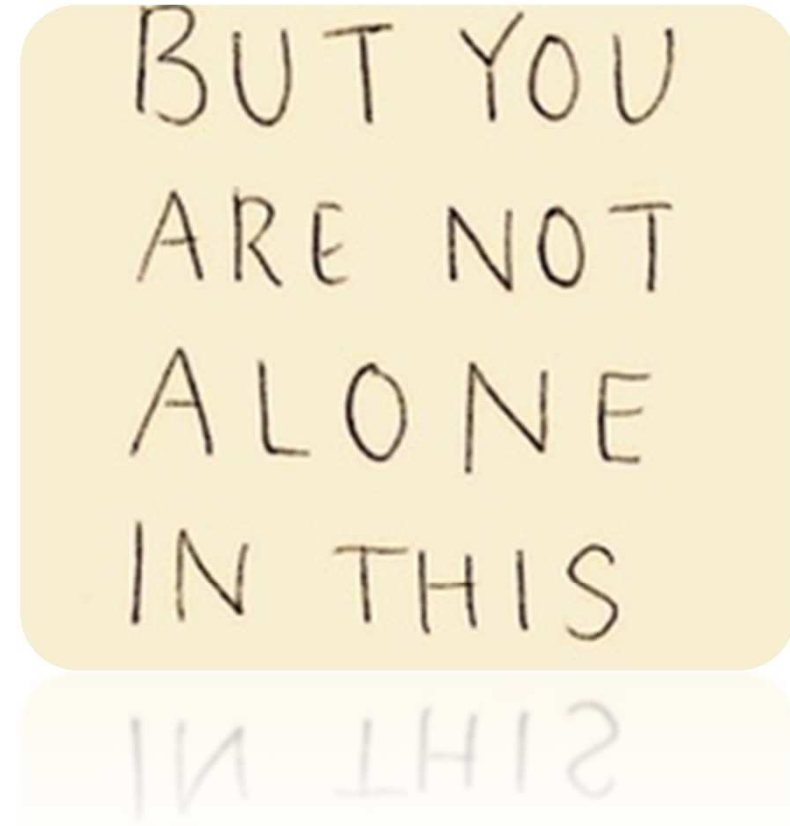
1. Be in the right place, at the right moment

- ✓ Cibus is one of the biggest food and beverage exhibition in Italy
- ✓ In that occasion it is very difficult to organizing dedicated meeting with top producers
- ✓ Attending the event, the Head of Verona office had the opportunity to meet the Chief Financial Officer of the biggest Italian beverage producer company (EUR 600 M turnover)
- ✓ In one day a EUR 10 M deal was originated (guarantee for internationalisation)



2. Be supportive

- ✓ Being supportive is one of the most effective way to start the relation with client
- ✓ In certain cases our Relation Managers attend the negotiations between the exporter and the buyer
- ✓ It can be also useful to support the client when there is not a direct interest for SACE
- ✓ The ECA could also help the client in providing information about possible business partner (through KYC procedure) and consequently in the business matching process with foreign clients.



3. Find the right approach

- ✓ SACE wanted to approach a sound and well-reputed company in Sicily producing high quality olive oil
- ✓ For our Relation Manager it was almost impossible to obtain a meeting with the owner (an old nobleman)
- ✓ In occasion of the opening of Palermo Office, he decided to invite the owner as a speaker in the event
- ✓ The invitation was really appreciated and during the year SACE BT was able to finalize a short-term cover and SACE Spa is currently finalizing a guarantee for internationalisation



4. Be talkative but also able to listen to

- ✓ Most of the times business opportunities come out unpredictably chatting with people
- ✓ But it is fundamental to be able to listen to and understand the customer needs
- ✓ A long term relationship with an important client was created in South Africa just chatting in a cafe.



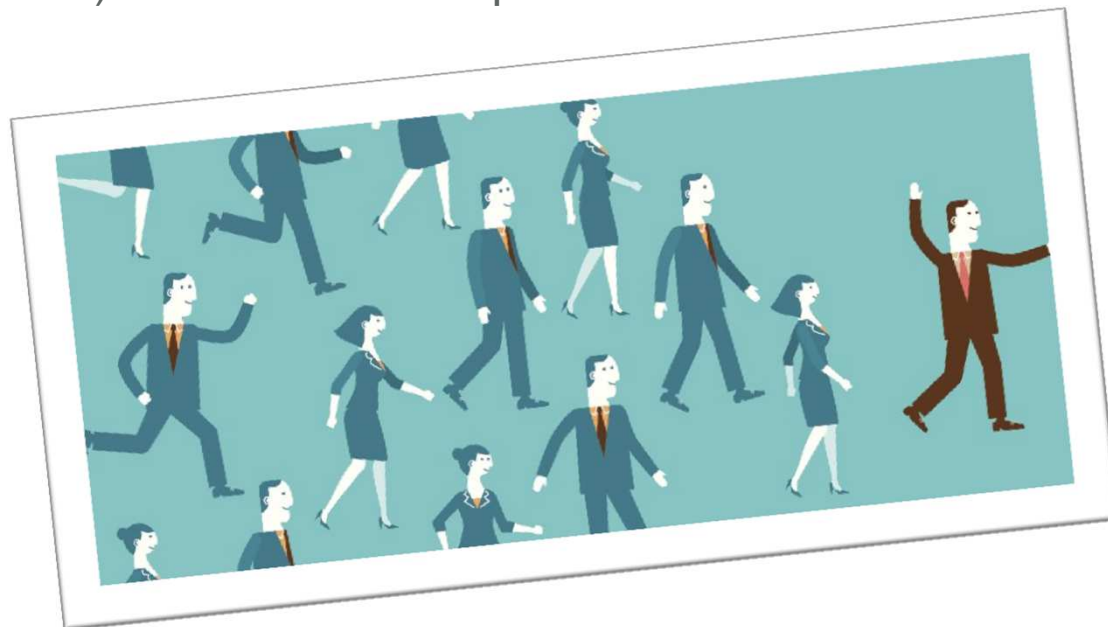
5. Be fast and effective

- ✓ A new potential client signaled a business opportunity with a buyer from Chile to be quickly finalized
- ✓ The info provided on the counterpart were not sufficient to have a positive evaluation
- ✓ San Paulo Office was involved. During a business visit in Chile SACE Representative was able to collect further information on the company
- ✓ The deal was finalized but the Italian Bank was delaying the approval for discounting the PNs
- ✓ The Relation Manager involved SACE FTC that made an effort for being fast in approving the transaction



6. Looking for the decision maker

- ✓ The origination activity could be useless if you do not meet the decision maker of the company
- ✓ In the Italian SMEs the decision maker is usually the owner who personally manage the company
- ✓ However all the times you meet new potential clients it is important to understand if the person in front of you is able to understand the products (and the benefits) and if he has the power to take the decision

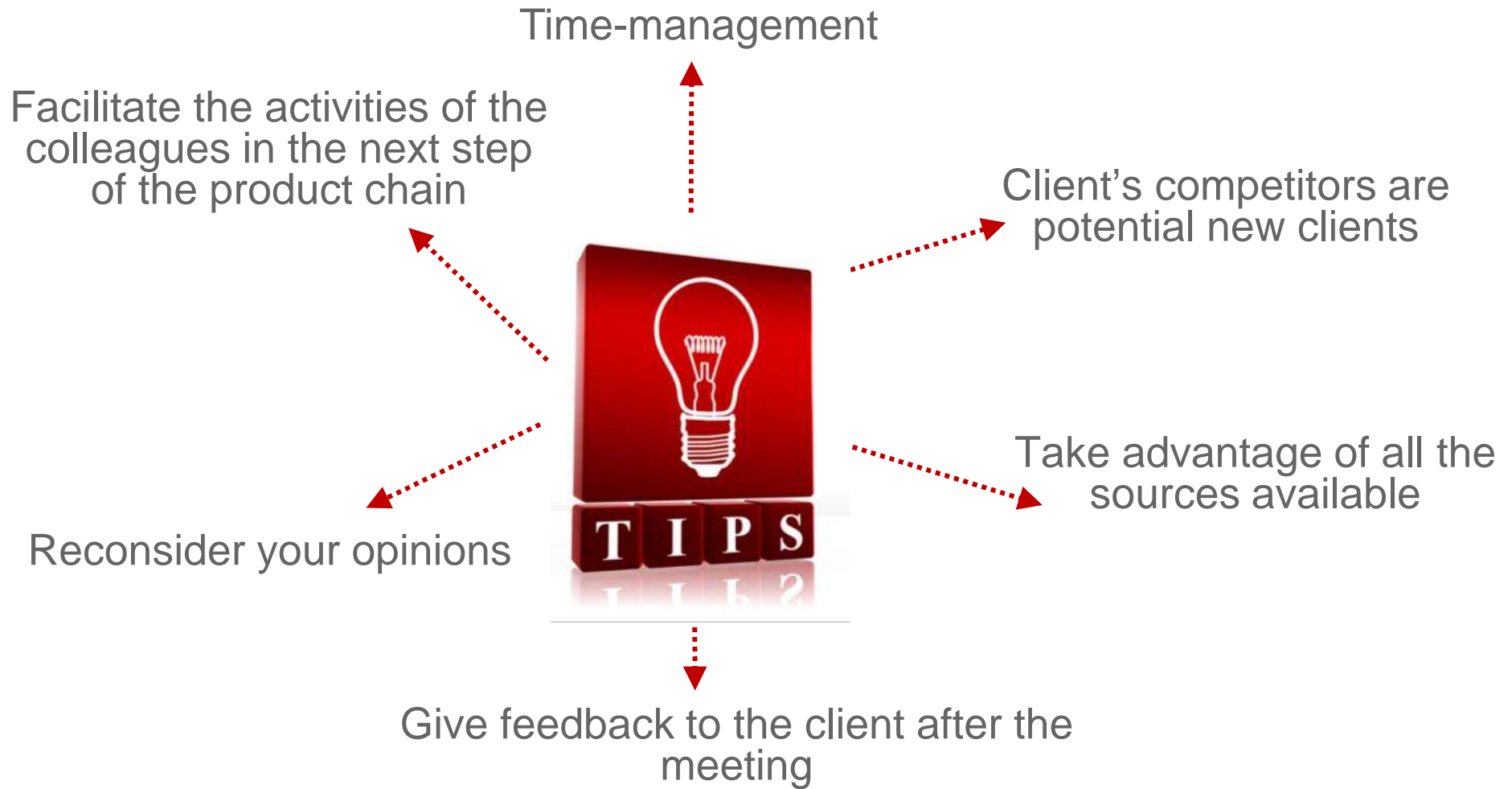


7. Be innovative (not with everyone)



Country	Chile
Counterpart	Agency for Railways (Sub-sovereign)
Supply	Construction works
Contract Amount	euro 1,33 B
Construction period	3 year + 8 months
Payment tenor	30 days (180 days in the policy)
Max Insured Amount	euro 50 M
Insured risk	Credit – (cover: 100%)
Additional info	<ul style="list-style-type: none"> ▪ The Client wanted to discount the invoices related to each milestone ▪ The discount was supposed to be silent

Tips &





How the customer explained



How the project leader understood it



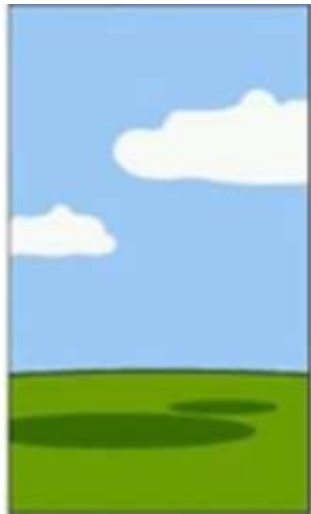
How the engineer designed it



How the programmer wrote it



How the sales executives described it



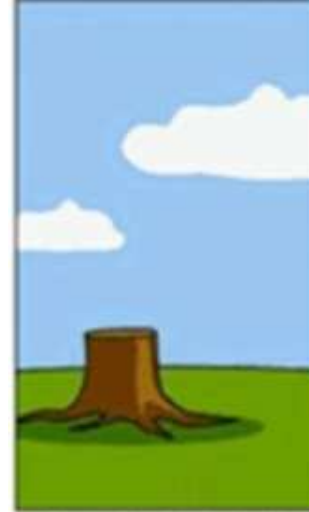
How the project was documented



What operations installed



How the customer was billed



How the helpdesk supported it



What the customer really needed

This is the end!

**Thank you for your
attention!**



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