

PROVIDING ADDED VALUE AND EXPERT ASSISTANCE

A leading manufacturer of heating elements, Czech company **KORADO** has been making use of Credendo – Short-Term EU Risks for the last two decades, harnessing Credendo’s ability to monitor the financial health of its customers across Europe, and leveraging more than just essential insurance protection.



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TOMÁŠ KOLLERT

Having recently celebrated its 30th anniversary – and 55 years since the creation of its predecessor – KORADO has established itself as one of the world’s leading manufacturers of steel panel radiators.

During this time, the company has served over 30 million customers, the majority of which are based in Western and Eastern Europe, but also in markets elsewhere in the world, such as Asia and North Africa.

Throughout its history, the Česká Třebová-headquartered company has consistently expanded its portfolio of products and services to meet the growing demands of its customers. Its core product line now includes steel panel radiators, towel rail radiators, design radiators, ventilation

units and a range of convectors, which are manufactured at the KORADO Group’s production subsidiaries in the Czech Republic and Bulgaria.

Long-term relationships

During its existence, the KORADO Group has built up a very stable and financially strong portfolio of customers, and the group prides itself on its ability to sustain long-term relationships with these companies. A key component of this is its use of Credendo – Short-Term EU Risks.

Tomáš Kollert, Head of Risk Management at KORADO, explains that the true value of Credendo’s support lies not only in its cash flow protection, but also in its trade credit risk assessment – its ability to monitor the



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financial health of KORADO's customers in case of any changes in their risk profiles, and alert KORADO accordingly.

He describes this expert assistance, extended as part of credit insurance, as an invaluable supportive service to the company's sales function, allowing it to build relationships with only the best customers. "The long-term nature of our relationships with our customers means that the continuous monitoring of their financial well-being by the insurance provider is vital to our business," says Kollert.

As evidence of the success of Credendo's risk management process, Kollert says that over the course of 2020 – a year in which businesses around the world were under significant pressure as a result of the Covid-19 pandemic – just one of KORADO's customers suffered bankruptcy. "Having a portfolio of healthy customers is essential, and because all companies are properly risk assessed at the start and throughout the course of our cooperation – thanks to Credendo – this is something that is taken care of effectively and efficiently."

Where credit insurance is not an option for a customer, KORADO seeks either advance payment or alternative cover.

KORADO has always managed to resolve any disputes and not suffer any significant damages associated with failure to pay outstanding debts or questionable payments of receivables. "In the last couple of years, several of KORADO's smaller Polish customers experienced payment problems, and their debts were solved efficiently in cooperation with credit insurance companies, including Credendo," says Kollert.

Facilitating business growth

KORADO's long-term strategy is to offer a complete solution in the field of heating, with an emphasis on modern, low-energy elements and systems that combine respect for the environment with energy cost savings for its customers.

An area in which KORADO may potentially look to further leverage its relationship with Credendo is in the facilitation of business growth. "I imagine that Credendo's extensive database, which can pinpoint which companies are creditworthy, may be able to help us build relationships with new customers in other parts of the world," says Kollert.

Again, he points out that in such a situation – from a risk management perspective – KORADO would value Credendo's ability to evaluate credit risks and prequalify customers, so that the company is able to confidently add new buyers in non-traditional territories.



A flexible approach

KORADO's cooperation with Credendo dates back 20 years to when the company first established a relationship with the Czech government-owned Export Guarantee and Insurance Corporation (EGAP), the commercial business of which has since been acquired by Credendo.

"Over the course of the last two decades, Credendo's support to the company has changed significantly," says Kollert. "The approach of Credendo – Short-Term EU Risks has become much more flexible."

He adds: "Credendo's advantage is that they're willing and able to cater for our individual needs. I would also like to highlight that our relationship with the Credendo Account Manager, Kateřina Smičková, is a very good one."

Kateřina Smičková confirms: "After almost 20 years of working together, we have a very good relationship with Mr Kollert. As an Account Manager I'm very happy to work with a client who has professional knowledge of credit management and credit insurance, who understands how important it is to monitor the financial health of his customers and – last but not least – who is willing to accept the insurance company's recommendations."