

## A leader in the giftware industry partners with Experian and achieves a distinct competitive advantage



### Client

Among the largest privately owned and operated firms in the giftware industry, Roman, Inc. is a leading producer and exclusive distributor of more than 15,000 giftware items. The company's mission is to be the leader in the Christmas, inspirational and special occasion markets by providing innovative merchandise of superior quality and value matched only by its level of customer service. Based in Roselle, Ill., Roman is best known for its award-winning Seraphim Classics® Collection and the world-renowned Fontanini® Heirloom Nativities™. In addition, Roman offers an assortment of Christmas decorations, including Roman Lights™ prelighted artificial trees, tree trim, holiday collectibles and much more.

The company has national and international retail show rooms in major markets, supported by a dedicated national sales force. Constructed in 1987 to meet the growing company's immediate and future needs for show room, administrative and warehouse space, the company's 165,000-square-foot state-of-the-art headquarters facility includes a 15,000-square-foot show room. In 1998, Roman began shipping from its 400,000-square-foot national distribution center in Addison, Ill. Annual sales volumes are approximately \$130 million.

### Challenge/Objective

Like many companies in the holiday and occasional giftware business, Roman extends credit to dealers that depend on strong holiday sales to achieve their goals. While product is ordered and shipped months ahead of the traditional holiday selling season, payment is not expected until December. In order to manage the risk this arrangement presents, Roman needed a reliable predictive credit risk scoring resource that would help the company in its relationships with about 13,000 independent dealers and 3,000 to 4,000 new business-to-business prospects each year.

Roman's Director of Credit Tessie Danklefsen was dissatisfied with the services provided by her previous vendor, which were plagued with software problems and frequent price increases. Instead, in order to help her manage risk and maximize her company's profit potential, she sought a single source for evaluating and scoring her existing customers and new business prospects that would be fast, consistent, accurate and flexible.

### Solution

Experian's credit risk scoring capabilities was recommended to Danklefsen by fellow members of an independent giftware credit group as an objective tool to help her strategically implement the company's credit policy consistently and more effectively. Because credit risk scoring analyzes each business using a similar set of variables, there is significant reduction in the subjectivity individual analysts bring to the credit decision process. By incorporating performance-based variables into the models, credit risk scoring provides a reliable, tested measure of how a business is handling its financial obligations.

Essential to the success of the company is the ability to make quick and accurate credit-granting decisions about existing customers and new prospects. To keep tabs on existing customers, Roman's credit department employs Experian's Portfolio Monitor<sup>SM</sup> product,

an online service that alerts the company of derogatory changes to its customer portfolios, such as late payments, collections, etc. These warnings of significant changes in the creditworthiness of accounts are based on information that is continuously added to the Experian database. Having this valuable information in hand lets Roman re-evaluate troubled accounts before they become problems. The company may then choose to lower potential risk levels by reducing or withdrawing credit.

To expedite credit approval for new accounts, Roman employs Experian's Intelliscore<sup>SM</sup>, which uses Experian's proprietary business credit data to assign credit scores to each account. Using statistical models based upon trade, demographic and public record data — proven key risk predictors that lead to more effective and reliable risk management — to predict and measure business risk level, including the likelihood of derogatory payment performance, Intelliscore provides a credit risk score of 0 to 100 on each potential customer. Roman then uses the scores to set individual credit parameters.

Because many of the company's customers are small businesses, Roman also utilizes Experian's Small Business Intelliscore<sup>SM</sup>, which integrates information on the personal credit history of a business owner with the credit history of his or her business to produce a single comprehensive business credit risk score.

Danklefsen appreciates the ability these resources give her department to make rapid credit decisions, qualifying creditworthy new business prospects so that sales can be generated quickly.

## Results

The speed and accuracy of Experian's credit risk scoring capabilities has given Roman a distinct competitive advantage in customer service, allowing the credit department to process, with confidence, a higher volume of transactions — leading to higher productivity and increased sales.

Experian<sup>®</sup> has helped the credit professionals at Roman better assess risk at the front end of the process, enabling quicker and more targeted decisions. At the back end of the process, they also are better able to identify and respond to "at-risk" customers sooner and with greater accuracy. The credit management team uses Experian's Account Advisor<sup>SM</sup> as an effective tool for delegation by printing lists for analysts to prioritize collections and proactively adjust credit limits.

Roman appreciates the simplicity of receiving a single credit risk score for quick credit decisions that accompanies an easy-to-read summary on the business and its owner, if applicable, including trade payment and public record data.

Corporate Communications  
600 City Parkway West  
Orange, CA 92868  
800 520 1221

©Experian 2003  
All rights reserved  
8130/2009 06/03

*Experian and the Experian marks herein are service marks or registered trademarks of Experian.*

[www.experian.com](http://www.experian.com)