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# AI use case presentation : Preventing Customer Failure





# Introduction & Context

A rising risk on cost of bad debt

- 2023: **high increase** of SME bankruptcies due to economic situation
- Resulting in higher **risk of bad debt**
- Credit Teams overwhelmed & focused on high outstanding balances
- No ability to analyse & process a huge volume of small billings
- How to react as quickly as possible to cut critical outstandings ?
- How to **identify the most criticals** among thousands of customers ?





# A perfect case study in the use of AI

- a structured and efficient analysis process, but...
- ...tedious given the number of variables to be analyzed...
- ...an **impossible « human » scale up** given billing volumes...
- ...but millions of historical data availables & « real » problem to solve
- **A « bankable » use case for AI analytics & automation !**



# Data Scientists **in the spotlight**

A classical 5 step data sciences method

- **Step 1:** Clean and process **23 millions of billings over 10 years**
- **Step 2:** Identify **correlated metrics** with failures and build a model
- **Step 3:** **Train the model** for behavior profiling & detection of risks
- **Step 4:** Set up a **prioritized alert** system sent to administrative staff
- **Step 5:** Launch a pilote to validate a GO/ no GO





## Results **that meet the challenges**

- **+ 1M€ raised each month & - 6 day of DSO in pilote regions**
- Thanks to a limited alerts **set to most relevants & staff capacity**
- simplified & more efficient day-to-day work for administrative staff
- has enabled us to **identify new criteria for detecting weak signals**



# Lessons learnt

3 months to build, 1 year to deploy

## Project was succesfull because :

- Of a high sponsorship from the Group CFO
- we built a model to solve a problem, not the other way around
- Data Scientists were embedded into the credit management team
- 100% in-house project, designed from the outset in a single tool
- integrate upstream impacts, and rework processes and reporting
- solid change management based on ambassadors and top managers

