

How Nontraditional Data Sources and GenAI are changing Credit & AR Management

Panel Subject Matter Experts

MOODY'S

Bill Weiss – Industry Practice Lead, Trade Credit (Americas) – Moody's

VWi

Rob Sherman – President, Vengroff Williams Inc.

NBCUniversal

Mary McKenna – VP Global Head Customer Finance Operations, NBCUniversal

Moderated by:

creditsafe

Yesinne Alvarez, Partnerships, Alliances & Data, Creditsafe

Why is this important...

- 44% of CFO's say increasing the use of technology in the next 12 months is very important to them. "What's important to a CFO in 2025", PWC
- Effective CFOs recognize that their time is best spent on the unsolved aspects of transformation, which in 2025 will center more around AI use than traditional automation and finance technology. "CFO Priorities are evolving in 2025", Gartner
- Drive AI Initiatives Forward-Most financial leaders at this point understand the potential of AI and generative AI. However, where to apply AI in their finance organization may be less clear cut. Stumped on where to start? Consider asking your employees. Many times, they'll have a process they hate that they want to automate or think could be more efficient. "The CFO Agenda: 7 Priority areas for 2025", CFO Leadership Council, by Oracle NetSuite.

Credit Risk Management

How can AI help identify and flag potential payment fraud or early warning signs of financial distress in the O2C process?

Methodology

- **Collect Articles**
 - We use NewsEdge as our news provider to collect and process all available news articles
- **Filter Articles**
 - We filter articles that are not relevant from a financial and credit perspective using a domain relevance model built using our credit risk expertise
- **Label Articles**
 - Each article is labeled using our risk category model that recognizes the previous five credit risk categories
- **Identify Companies in Articles**
 - We use a custom-built sentiment model developed specifically for recognizing company level sentiment at the sentence level
 - This identifies companies in news articles, as well as the sentiment (positive, negative, and neutral) associated with the mentions
- **Calculate Daily Company Score**
 - Each company is scored using credit adverse news articles for the company, as tagged by the risk categories model.
 - Since each credit risk category has its own severity, it also has its own weight in the entity scoring formula, as shown in the table on the next slide

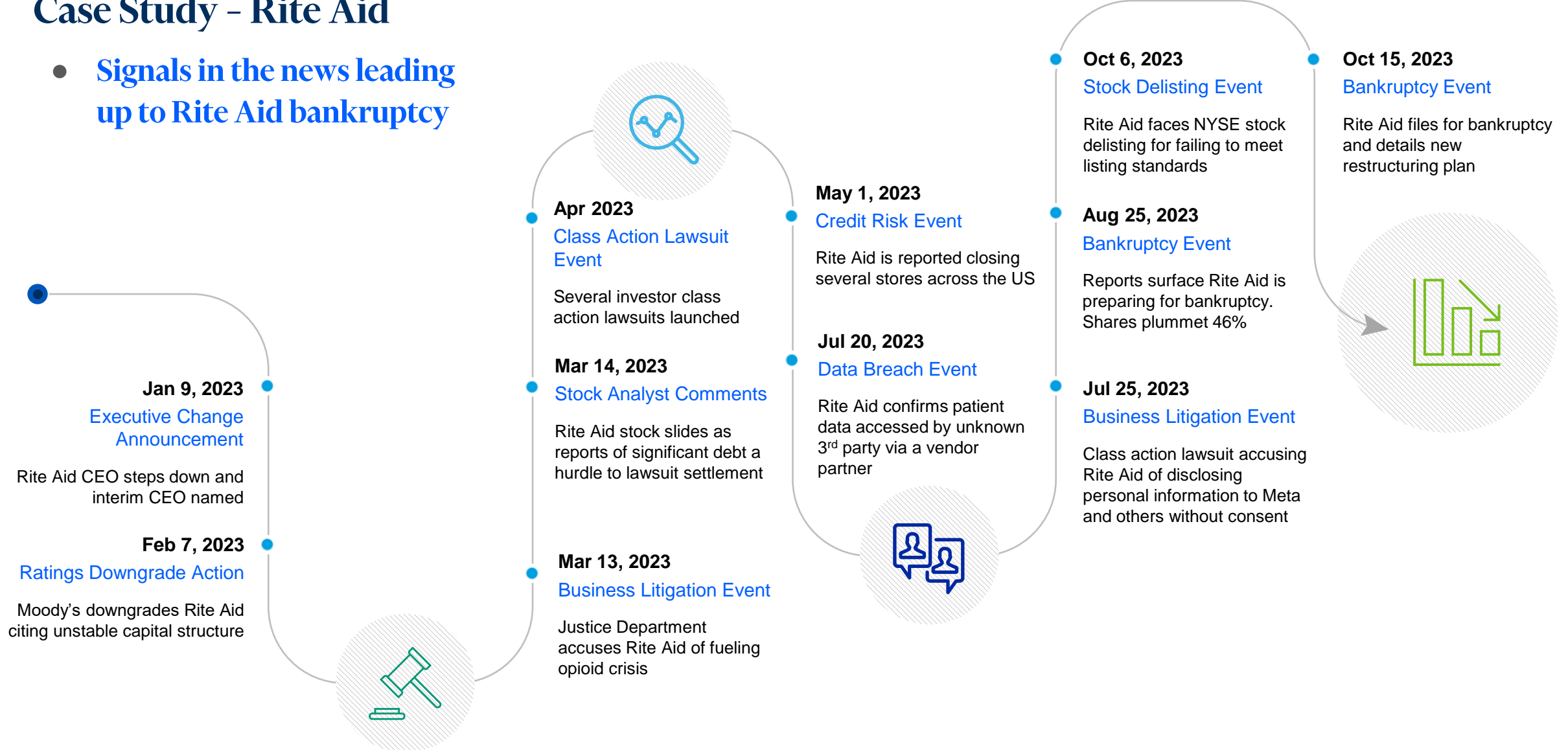
Methodology

Identifies five credit relevant categories:

ARTICLE SENTENCE	CREDIT RISK CATEGORY
US retail giant, files for bankruptcy.	Bankruptcy / Insolvency
In December 2012, the company stopped making payments and defaulted on all its loans.	Default / Missed Payment
The company fell into junk in May after Moody's downgraded the unsecured debt rating	Credit Rating Downgrade
The automaker's profit has plummeted, and questions are growing about the future of its alliance with French partner Renault.	Profit Warning
The lawsuit filed in Clark County, Nevada, claimed, based on press reports, that a board representative was notified of an alleged misconduct in 2009.	Compliance Issue

Case Study – Rite Aid

- **Signals in the news leading up to Rite Aid bankruptcy**



Credit Risk Management

There is a lot of buzz about the power of GenAI, but can it realistically be applied to credit adjudication?

We have been here before...

January 18, 1999 – Air Cargo Internet Symposium



Does your business need the Internet?

Bill Weiss
Vice President
The CreditExchange
14040 North Cave Creek Road
Suite 306
Phoenix, AZ 85022
T 602.482.9564
F 602.992.5047
EM bweiss@creditexchange.com

Bill Weiss, vice president of The CreditExchange, previously worked in credit and finance for a Fortune 100 firm in the aerospace industry. Being exposed to the types of credit problems his company had helped drive him to join John in the pursuit to make better credit tools available.

The CreditExchange is a company that is designing cutting edge Internet products for credit departments in the transportation industry. Their brand new Internet-based database is a great way for transportation companies to acquire current, economical, and "industry specific" trade information about their potential customers. Not only does the system show how your potential customers pay their freight bills, but it also segments the trade experiences by the specific type of company that reported the information (truckload carrier, LTL carrier, air forwarder, air cargo, expedited carrier, etc.) Their information is also the most current information available, as their reports display trade information immediately upon receipt from their members. They look forward to introducing their products to firms that are ready to use the Internet to its full potential. To join their growing membership or just to see what their products have to offer, please visit www.creditexchange.com today.

The Evolution of Automation

Order to Cash

Robotic Process Automation (RPA)

Software “robots” mimicking human actions on a computer to complete a business process

Examples:

1. Robots which pull invoice statuses from customer portals
2. Pulling credit bureau data automatically via API

Artificial Intelligence (AI)

The ability of computer systems to learn, reason, think, and perform tasks requiring complex decision making

Examples:

1. Match payments with open invoices
2. Predicting dispute validity through AI-based predictor

Generative AI (GenAI)

A subset of artificial intelligence that uses generative models to produce text, images, videos, or other forms of data.

Examples:

1. Gather and synthesize key information
2. Run complex analyses on a company or group of companies

Gather and synthesize key information

What are the top 5 challenges of the UK banking sector? UN

Based on the information provided, the top five challenges of the UK banking sector could be:

1. Intense competition: The dominance of larger banks is increasingly being challenged by fintechs and specialized lenders for deposits and loans to small and medium-sized enterprises and the self-employed, and by ring-fenced banks for residential mortgages [2].
2. Regulatory and supervisory environment: The UK banking sector has undergone significant changes since 2008, and these factors determine a bank's "potential impact" on the UK financial system [1].
3. Economic conditions: There is a risk of moderate deterioration in asset quality due to worsening macroeconomic conditions, with persistently high inflation, weak growth, and affordability pressures [3].
4. Efficiency: Some UK retail banks, such as TSB Banking Group, face challenges in maintaining competitive efficiency across UK retail banks [3].
5. Social risks: Banks face high industry-wide social risks from climate change, regulatory compliance standards, as well as cyber risk and the financial inclusion gap [3].

Please note that these challenges are not ranked in any particular order.

Review UK banking entities in Screening & Benchmarking tool


Citations

1. Sector Profile - Banks - United Kingdom: Banking System Profile (08 Dec 2023 • Moody's Ratings)
2. Sector In-Depth - Banks - United Kingdom: Macro profile: Strong + (07 Mar 2024 • Moody's Ratings)
3. Credit Opinion - TSB Banking Group plc: Update after rating affirmation and change of outlook to stable from positive (16 Apr 2024 • Moody's Ratings)

Run complex analyses on a company or group of companies

UN

Create a memo on Rivian with company description and credit considerations. Include comparison vs. Tesla in a table, rating drivers, upgrade and downgrade triggers, and sector outlooks



Memo on Rivian Automotive, Inc.

Company Description:

Rivian Automotive, Inc. is an American electric vehicle automaker and automotive technology company. It was founded in 2009 by RJ Scaringe and is headquartered in Irvine, United States of America. The company is building an electric sport utility vehicle (SUV) and pickup truck on a "skateboard" platform that can support future vehicles or be adopted by other companies. These vehicles are designed for both on-road and off-road driving. As of 2024, the com

Credit Considerations:

As of 2024, Moody's Investors Service does not maintain any public [RTNG_375591757_MIS]

Comparison with Tesla, Inc.:

	Rivian Automotive, Inc.	T
Sector	Passenger Vehicles	P
Ticker	RIVN	TSLA

1. [Rivian Automotive, Inc.](#)

2. [Tesla, Inc.](#)

3. Credit Opinion - Tesla, Inc.: Update to credit analysis
(27 Mar 2024 • Moody's Ratings)

4. Rating Action - Moody's assigns Baa3 issuer rating to Tesla; outlook stable
(20 Mar 2023 • Moody's Ratings)

Addressing the Limitations of GenAI

A unique value proposition

“LLM functionality is largely driven by the quality of the content and data used to train it... Having the best data is key to providing unique services and enhanced user experiences that attract users”

BCG, 2023

Are there any warning signals for Banque CIC Sud Ouest?

GPT4.0 Answer (GPT4+Bing):

As of 2022, Banque CIC Sud Ouest's financial indicators **do not show explicit warning signals**. The bank's total assets increased to 23,865.65 million EUR, marking a 14.18% growth from the previous year. This growth is reflected in the increases in both loans to banks (46.53%) and loans to customers (12.62%). The bank's total liabilities also saw a similar growth rate of 14.18%, with bank deposits increasing by 15.00% and customer deposits by 10.17%. Additionally, the net income for 2022 showed a significant rise of 48.97%, amounting to 85.61 million EUR. These figures suggest a **healthy financial status for the bank in that period**.

Grounded, accurate and complete answers

LLMs generate words through a probabilistic model

Proprietary Data provides context and verification

Moody's Copilot Answer:

Moody's EDF-X early warning model has classified Banque CIC Ouest as a **severe risk**. This assessment is founded on the bank's current PD (probability of default), which is significantly higher than that of its peers, and a significant year-over-year increase in the bank's implied rating. These factors point to a **high credit risk and potential financial instability**. [Source: EDF-X Model, 06-12-2023]

In addition, Banque CIC Ouest has been listed by the Enforcement Committee of the France Financial Markets Authority. The bank has been penalized with a **fine of EUR 250,000**, which not only poses a reputational risk but also potentially triggers additional compliance-related actions [Source: Moody's NewsEdge 19-06-2023]

The bank is controlled by Caisse Federale De Credit Mutuel, a corporate entity with an implied rating of **Baa2**. This control potentially **mitigates the overall financial risk**, under the assumption of parental support. [Source: Orbis Database, 06-12-2023]

Verifiable, trusted content will be valuable to "ground" results, and reduce “hallucinations”

Collections

What role can predictive analytics play in optimizing payment collection strategies?

High Collectability Accounts

Accounts That Should Pay You Faster

On average, your customers are paying you...

31.7 days late

VS.

They pay all their suppliers an average of...

8.2 days late

This Month	Link ID	Name	Total A/R	Past Due A/R	CPR	CPR Segment	DR Score
1	131979714	MARCUS HOTELS INC	\$391,548	\$389,842	811	5	882
2	128822375	DAIMLER GROUP INC	\$363,492	\$363,492	741	5	879
3	325844603	TRAFFIC TECH INC	\$227,677	\$192,504	716	5	855
4	126292634	PHILIPS ULTRASOUND INC	\$145,356	\$104,542	601	4	850
5	273689171	ECOATM LLC	\$129,060	\$73,536	722	5	849
6	378615554	CORNING INC	\$105,733	\$72,227	511	4	742
7	206871189	OFFICE DEPOT INC	\$105,255	\$61,463	628	5	855
8	126466300	BUILDERS DESIGN & LEASING INC	\$142,388	\$51,709	537	4	634
9	149104649	ARTHUR J GALLAGHER & CO	\$137,204	\$42,381	678	5	863
10	149179782	TRILOGY HEALTH SERVICES LLC	\$102,569	\$38,447	669	4	789
11	311563589	OFFICEWORKS INC	\$47,756	\$34,494	738	5	754
12	134588305	BATH & BODY WORKS INC	\$30,329	\$30,329	670	5	876
13	372997085	ORTHOPEDIC ONE	\$30,161	\$30,161	740	5	876
14	133298353	NORTHROP GRUMMAN SYSTEMS CORP	\$45,412	\$26,912	635	5	866
15	331089542	SACHSE CONSTRUCTION & DEVELOPM ...	\$33,321	\$25,050	764	5	877
16	129940865	AGATI INC	\$26,362	\$21,592	736	5	881
17	290428397	LEIDOS	\$34,243	\$16,233	735	5	858
18	250110992	PERCUSSIVE ARTS SOCIETY INC	\$16,200	\$16,200	740	5	725
19	134209755	SKANSKA USA BUILDING INC	\$14,617	\$14,617	506	4	803
20	134846206	GIVAUDAN ROURE FLAVORS CORP	\$18,713	\$13,254	633	4	877
Total:			\$2,147,396	\$1,618,985			

Other Collections Insights

You are the critical vendor?

Be a hero to Sales!

MOODY'S

Your biggest customers that are paying their suppliers slowly...

Customer	Total Balance	Late Balance	CPR
HOTEL SPEC INTERNATIONAL ...	\$1,054,021	\$1,054,021	2
MAMAVA INC	\$860,253	\$472,565	1
GAP INC	\$811,391	\$436,927	2
ROCHE DIAGNOSTICS	\$684,890	\$364,741	2
CBRE GWS LLC	\$293,733	\$192,442	2
JONES LANG LASALLE AMERIC...	\$262,155	\$257,207	2
HONEYWELL INC	\$224,500	\$206,180	2
HONEYWELL INC	\$222,390	\$222,390	2
KAIROS FURNITURE MANAGEME...	\$174,563	\$160,799	1
OHIO STATE UNIVERSITY WEX...	\$171,335	\$79,186	2
OREILLY OFFICE	\$165,597	\$36,589	1
RIVER CITY FURNITURE LLC	\$154,890	\$101,150	1
SANTA FE RELOCATION	\$123,003	\$111,802	1
CUSHMAN & WAKEFIELD US INC	\$118,198	\$118,198	1
INTEL CORP	\$116,507	\$64,900	2
UNIVERSITY OF CINCINNATI	\$106,936	\$70,671	2
ASCENA - SSG	\$106,630	\$10,231	1
QUEST DIAGNOSTICS INC	\$99,055	\$67,093	2
APPLE CANADA INC	\$97,467	\$84,842	2
CUMMINS BUSINESS SERVICES	\$89,476	\$88,836	2
ROBERT HALF INTNTL	\$85,187	\$0	1
HUNTINGTON NATIONAL BANK	\$81,835	\$76,722	1
HILLDRUP MOVING & STORAGE	\$73,735	\$60,723	2
HELLO LANDING	\$69,860	\$69,860	1
PRIMEPAY INC	\$68,400	\$0	2

Your biggest customers that appear to be growing...

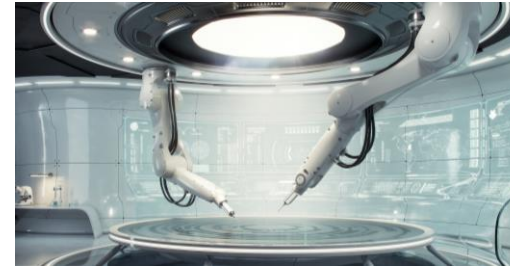
Customer	Total Balance	Late Balance
AMENTUM SERVICES INC	\$1,098,096	\$606,797
MAMAVA INC	\$860,253	\$472,565
GAP INC	\$811,391	\$436,927
JPMORGAN CHASE BANK NATIONAL A...	\$528,414	\$528,414
MARCUS HOTELS INC	\$391,548	\$389,842
DAIMLER GROUP INC	\$363,492	\$363,492
CBRE GWS LLC	\$293,733	\$192,442
JONES LANG LASALLE AMERICA INC	\$262,155	\$257,207
DIAMEDICAL USA EQUIPMENT LLC	\$184,496	\$121,431
US BANCORP	\$184,479	\$41,060
BUILDERS DESIGN & LEASING INC	\$142,388	\$51,709
ARTHUR J GALLAGHER & CO	\$137,204	\$42,381
ECOATM LLC	\$129,060	\$73,536
ABERCROMBIE & FITCH	\$124,360	\$4,175
CUSHMAN & WAKEFIELD US INC	\$118,198	\$118,198
INTEL CORP	\$116,507	\$64,900
CORNING INC	\$105,733	\$72,227
OFFICE DEPOT INC	\$105,255	\$61,463
TRILOGY HEALTH SERVICES LLC	\$102,569	\$38,447
CDS LOGISTICS MANAGEMENT INC	\$100,994	\$175
QUEST DIAGNOSTICS INC	\$99,055	\$67,093
MAXIMUS COMMUNICATIONS	\$97,544	\$0
DAVIES OFFICE REFURBISHING INC	\$90,600	\$0
CUMMINS BUSINESS SERVICES	\$89,476	\$88,836
FARMERS FRIDGE	\$87,811	\$18,959

Collections

With the advent of AI Assistants, how do you address the fears of adopting AI, workforce reduction, loss of privacy, ownership of job duties, etc.?

What Can You Do with GenAI?

The level of sophistication



Assisted Intelligence

- Retrieve & synthesize
- Run tools/analysis
- Interpret

Augmented Intelligence

- Contextualize to user / use case
- Assess implications

Automated Intelligence

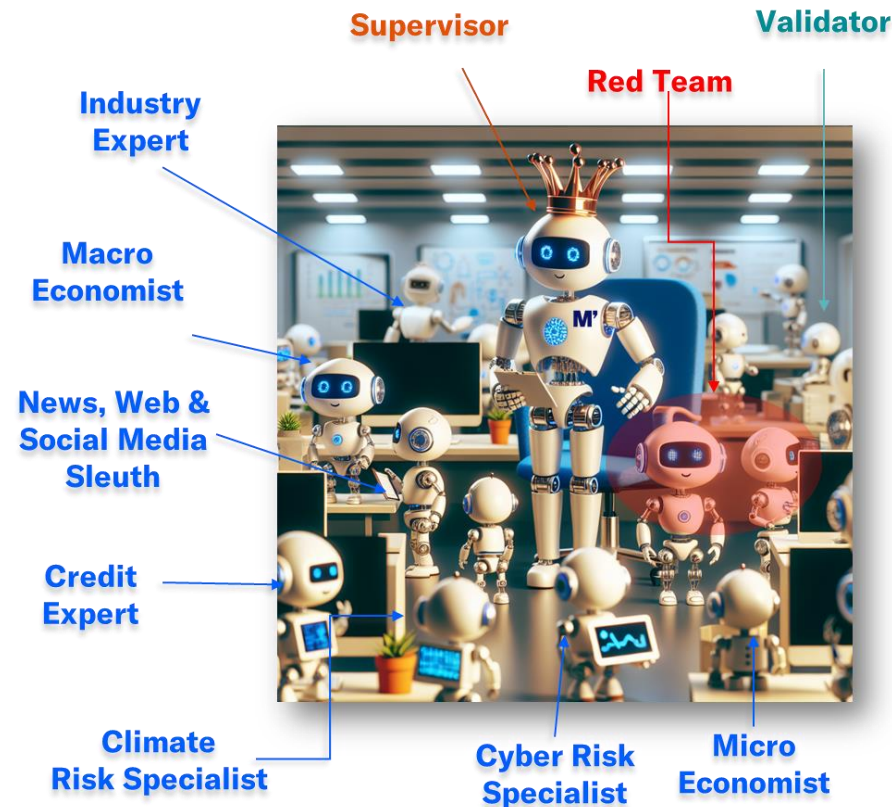
- Execute small tasks independently
- Make recommendations

Autonomous Intelligence

- Plan and execute
- Evaluate outcomes
- Adapt and iterate

Coming Next: Rapidly Analyze & Monitor Any Company

Imagine a group of super-efficient “agents” whose job is to learn everything there is to know about different companies. They generate content and work tirelessly to keep the information updated.



1

Deep-Dive Evaluation

Leverage Moody's data and expertise to deliver insights into company financial health and strategic positioning.

2

Unlock Business Drivers

Analyze factors like market position and operational efficiency to explain performance and identify vulnerabilities.

3

Anticipate Future Performance

Forecasting financial performance by studying the expected evolution of business drivers.

MOODY'S

Evaluating Company with Moody's Recon: Illustration

Deploy

I am considering signing a big deal with Auto Retailer LLC to built and maintain their new online car selling platform. As a part of my due diligence, I'd like you to carry out a detailed credit risk analysis on the firm explaining its business drivers and impact on future financial performance.



Hi, how can I help you?

I am considering signing a big deal with Auto Retailer LLC to built and maintain their new online car selling platform. As a part of my due diligence, I'd like you to carry out a detailed credit risk analysis on the firm explaining its business drivers and impact on future financial performance.



Building on Outcomes, VWi Ai Assist

KEY FEATURES:

Live audio capture. Record audio and generate high-quality transcriptions in real time, improving your conversation data collection and enabling live captioning.

Dynamic checklists. Use AI to analyze what agents and customers are saying and displays checklists to show agents workflow steps they've completed or still need to complete.

Keyword analysis/custom alerts. Automatically identify key names, acronyms, and words, and highlight key terms and phrases. Trigger notifications to agents when certain words are mentioned.

Auto-population. Automatically populate fields in your scripted workflow based on what the customer says.

Intent analysis and action. Use AI to instantly identify intent in conversations and perform an action, such as interrogating the interaction data.

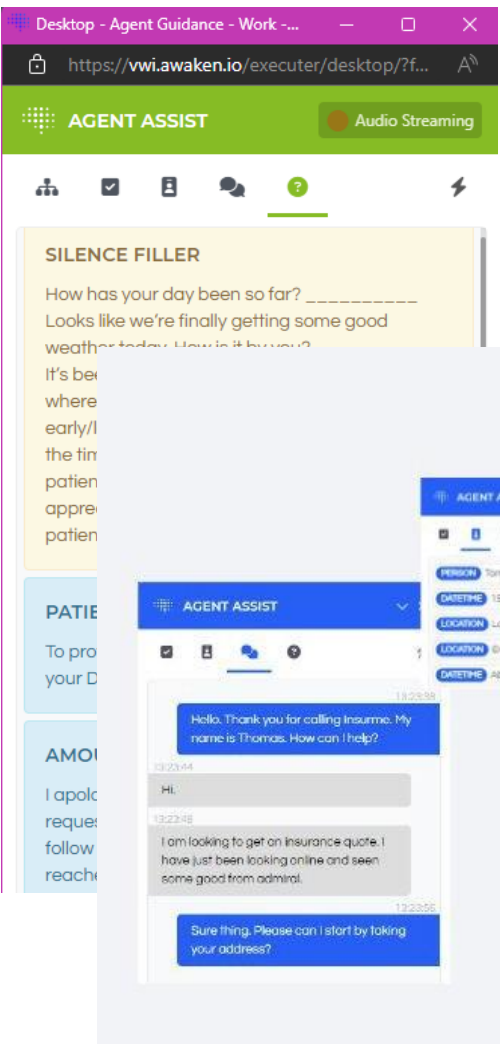
Automated call summaries. Get an AI-generated summary for every call, reducing after-call work time.

Knowledge base lookup. Accelerate customer or product information retrieval by leveraging AI to ensure your agents are fed the right data at the right time.

Wrap-up assist. Summarize interactions, send data to your CRM or other integrated systems, and streamline handovers all at the click of a button.

WHY USE IT?

- + Reduce training times by 60%
- + Improve agent retention by 50%
- + Improve customer satisfaction by 50%
- + Reduce time spent on after-call work
- + Take action based on customer intent for a better customer experience
- + Improve accessibility with live captioning



VWi Ai Assist improves outcomes by ensuring clear, professional, and direct communication. By recognizing conversation scenarios through preset triggers, it helps Credit & Collections Teams provide accurate information, offer appropriate solutions, and streamline interactions, leading to a smoother and more positive resolution.

Building on Quality Assurance VWi Ai Assist

01 Custom Score

Automate QA/Compliance monitoring with Custom Score(s) on every interaction (call, chat, case). Visualize in dynamic dashboards by dept, team, agent.

02 Workflows

Trigger automated actions and alerts based on critical events in your interactions.

03 Inbox Insights

Inbox Insights distribute insight summaries to audiences across your company via email/messaging.

Automate Coaching

Automatically send performance scorecards to your frontline teams to highlight recognition and improvements opportunities daily, weekly, etc.

Avg. Weekly Call volume
Jan 1 - Jan 31, 2020

272.6
Goal: 295

Avg. Handle Time
Jan 1 - Jan 31, 2020

6:07
Goal: 5:30

% Hold Req.
Jan 19 - Jan 25, 2020

27.5%
Goal: 22%

% Escalations
Jan 19 - Jan 25, 2020

4.5%
Goal: 3%

QA ScoreCard

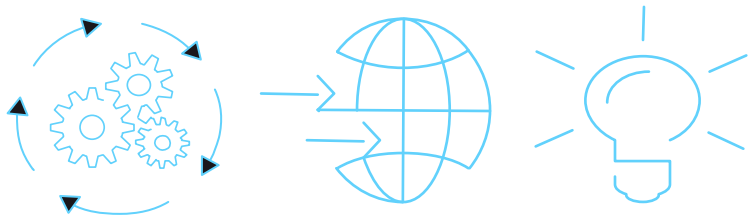
Jan 1 - Jan 31, 2020

	QA Score	QA 1 - Greeting (20)		QA 2 - State Name (15)	
	↓ Average	Average	Fail	Average	Fail
Kelly BOOK	85	20	0%	15	0%
Jennifer COHEN	72	19.5	2.4%	5.1	65.9%
Anna VALENTINE	71	19.1	4.5%	4.5	69.7%
Jeremy MCCLAIN	71	19.8	1.2%	5.2	58.5%
Judith VALENCIA	71	19.7	1.5%	5.4	64.2%

Agent Impact Score, by Agent (Diff TEI)

Jan 1 - Jan 31, 2020

	Agent Impact Score	[ST Effort] C: Misdiagnosis	[ST Effort] A: Rep. Confusion	[ST Effort] A: Powerless to Help	[ST Effort]
	↑ Average	%	%	%	
Overall	3.7	4.2%	31%	17.6%	
Austin BAIRD	3.0	22.2%	44.4%	22.2%	



Cash Application

How might AI-powered automation reduce manual errors and streamline cash application processes?

Cash Application

Agents & Assistants

- **Agentic AI:** AI Agents are now able to perform the following tasks:
 - Email Remittance Capture
 - AP Portal Remittance Capture
 - Customer Identification
 - Payment Invoice Matching
 - Deductions Coding
 - Payment Exceptions Handler
- **AI Assistants:** Also used in Deductions Management
- **Agent Assist for Collections:** Voice or Data Analytics toolset

Compliance

What alternative data sources can be used to measure compliance, especially in the cases of small privately held companies that don't have a lot of data available?

Bitsight Cyber Risk Data & Analytics for Corporates

Standard & Premium offerings service a multitude of use cases

INTEGRATED RISK MANAGEMENT USE CASES

STANDARD

PROCUREMENT

CREDIT

ONBOARDING

SUPPLY CHAIN

RESILIENCY

COMPLIANCE

CYBER RISK MANAGEMENT USE CASES

PREMIUM

DIGITAL SUPPLY CHAIN

SECURITY PERFORMANCE MGMT

ENRICHED DATA

Cyber Risk Signal

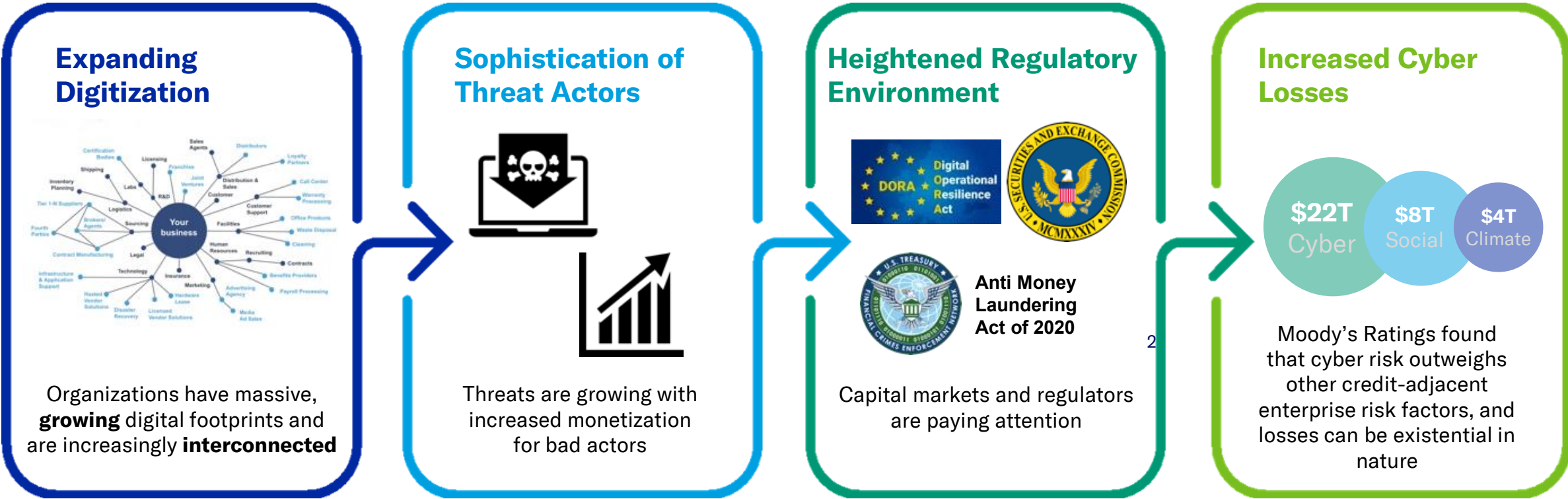
- ✓ Measure, benchmark & assess cybersecurity performance
- ✓ Quantify likelihood of cybersecurity incidents like data breach & ransomware
- ✓ Minimize likelihood of cyber related financial losses

Business Health Indicator

- ✓ Use cybersecurity performance as a **proxy for overall corporate governance**, continuously monitor management effectiveness
- ✓ Degradation of cybersecurity performance can indicate a degradation in business performance, leverage Bitsight data & analytics as an **early warning signal**

Cyber Risk is growing quickly

Expanding digitization, increased sophistication of threat actors and a heightened regulatory environment has resulted in a world in which cyber losses are growing in frequency and severity



Governance is critical but difficult to quantify

In an increasingly digital world - cyber governance is increasingly indicative of corporate governance and can be used as an effective proxy

Governance Challenges

1. Lack of standardization drives quality issues
2. Data quality and availability impacts utility
3. Data driven governance standards remain opaque



Questions & Comments

Bill Weiss - William.Weiss@Moody's.com

Rob Sherman - RSherman@vwinc.com

Mary McKenna - Mary.Mckenna@nbcuni.com

Yesinne Alvarez - Yesinne.Alvarez@Creditsafe.com

Thank you!