

An aerial photograph of a coastal city, likely San Francisco, showing a bay with several islands and a large bridge. The surrounding area is hilly and urban. The image is used as a background for the slide.

**XOKODO**

PROTECTING B2B TRADE

SME Finance Forum

4 June 2020





# HOKODO HELPS

level the playing field for Europe's SMEs

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Financial Services companies have neglected Europe's SMEs, placing many FS solutions out of their reach



**Hokodo serves them with products which were historically only accessible to large corporates**

# THE CUSTOMER PROBLEM

200,000 European SMEs fail each year due to late or non payment of invoices<sup>1</sup>



## Forced to offer risky trade credit terms

>50% of invoices are paid late, 2.1% are never paid<sup>2</sup>



## Lack access to information

75% of firms never conduct any credit checks at all<sup>2</sup>



## Poorly served by today's FS industry

>99% of SMEs have no credit protection against this risk

**Hokodo addresses the massive SME financing and protection gap enabling SMEs to trade safely**

1. Source: FSB (2016) *Time to Act: The economic impact of poor payment practice*; scaled up based on European Commission (2018) *Annual Report on European SMEs 2017/18*.

2. Source: Intrum (2018) *European Payments Industry White Paper*; Altares (2018) *Comportements de paiement des entreprises et organismes publics en France et en Europe*

# OUR SOLUTION

## Contextual insurance inside the tools SMEs use day-to-day (1/2)

### EXAMPLE: Integration of credit insurance into a bank's invoicing module

The screenshot shows the Tide invoicing module interface. On the left is a sidebar with navigation options: Accounts overview, Account management, Profile, Security, Invoicing (highlighted), and Support. The main area is titled 'Invoices' and contains three buttons: Upload, Settings, and Create Invoice. Below the buttons is a table of invoices with the following columns: Customer, Reference, Sent date, Due date, and Amount. Each row includes a dropdown arrow, a customer name with a star rating and a green checkmark icon, and the corresponding invoice details.

	Customer	Reference	Sent date	Due date	Amount
▼	PD FABRICATION LIMITED ★★★★★	TEST001	28 May 20	25 Jun 20	£4,500.00
▼	Chaucer ★★★★★	TEST001	06 May 20	03 Jun 20	£400.00
▼	Bezley PLC ★★★☆☆	Tim Test 1	25 Mar 20	25 May 20	£3,000.00
▼	PD FABRICATION LIMITED ★★★★★	TEST--8	25 Mar 20	22 Apr 20	£560.00
▼	Hokodo ★★★★★	TEST 006	25 Mar 20	22 Apr 20	£390.00
▼	Hokodo ☆☆☆☆?	TEST005	25 Mar 20	22 Apr 20	£450.00
▼	Rooser Ltd ☆☆☆☆?	TEST005	25 Mar 20	22 Apr 20	£560.00

# OUR SOLUTION

## Contextual insurance inside the tools SMEs use day-to-day (2/2)

### EXAMPLE: Integration of credit insurance into a bank's invoicing module

The screenshot shows the Tide invoicing interface. On the left is a navigation menu with options: Accounts overview, Account management, Profile, Security, Invoicing (selected), and Support. The main area displays a list of invoices under the heading 'Invoices'. The table has columns for Customer, Reference, Sent date, and Due date. A detailed view of invoice TEST001 is shown on the right, including the amount (£4,500.00), dates (Sent 28 May 20, Due 25 Jun 20), and a credit score overlay for the customer PD FABRICATION LIMITED. The credit score is represented by a bar chart with 5 stars, 4 of which are filled, and a 'Verified' badge. Below the credit score is a 'View PDF' button. At the bottom of the detailed view, there is a section for 'Available services' with a 'Ready to protect' button and a description of 'Invoice Protection'.

Customer	Reference	Sent date	Due date
PD FABRICATION LIMITED	TEST001	28 May 20	25 Jun 20
Chaucer	TEST001	06 May 20	03 Jun 20
Bezley PLC	Tim Test 1	25 Mar 20	25 May 20
PD FABRICATION LIMITED	TEST--8	25 Mar 20	22 Apr 20
Hokodo	TEST 006	25 Mar 20	22 Apr 20
Hokodo	TEST005	25 Mar 20	22 Apr 20
Rooser Ltd	TEST005	25 Mar 20	22 Apr 20

**TEST001**  
£4,500.00  
Sent 28 May 20  
Due 25 Jun 20

PD FABRICATION LIMITED [View](#)  
richard+test@hokodo.co

**Credit score**  
★★★★☆ Verified [Edit](#)

[View PDF](#)

**Available services**

Ready to protect

**Invoice Protection**  
Protect this invoice against non-payment with a simple one off insurance fee.

Credit scores help SME owners understand the risk

Intuitive call to action at the point of need

# Impact of COVID

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## Temporary

1. Significant increase in payment delays (cash hoarding), and significant reductions in trade credit availability
2. Government loans don't actually solve the crisis in trade credit
3. Some sectors have become near-uninsurable - despite including many strong businesses
4. But in most sectors credit insurance can be a key part of the solution - if the distribution challenge can be solved
5. Single invoice cover is more particularly suited to this environment
6. Growing perception of risk - and demand for cover

## Structural

7. Shift to online B2B trading



An aerial topographic map of a region, likely in the Pacific Northwest, showing a city, a large body of water, and rugged mountain ranges. The map is oriented vertically, with the city and water on the left and the mountains on the right. A semi-transparent white horizontal band is overlaid across the center of the image, containing the company name and tagline.

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