

How we support Faber Kabel's operational business model, helping them minimise risk

Case Study: trade credit insurance for the wholesale supply of wires and cables

We have developed a strong working relationship with Faber Kabel based on an in depth understanding of their business operation and goals over the past 40 years. Ulrich Spies, Head of Finance and Accounting at Faber Kabel, has described Atradius Credit Insurance as central to the development of their customer relationships.

At a glance

Company

Klaus Faber AG (operating as Faber Kabel AG)

Trade Sector

Wholesale supply of wires and cables

Market

Global

Their credit insurance aims

To support the strategic development of our business relationships

How we made it happen

Using a thorough understanding of Faber Kabel's market and customers, to provide a secure operational platform

Aims

The primary aim of Faber Kabel's approach to credit insurance is to secure a sustainable balance sheet. As Ulrich Spies explains: "We generally secure all of our receivables – both on a national and an international level.

For us, effective communication with our credit insurers is very important, as it allows us to take decisions and offer credit terms to customers quickly and effectively."

"Credit insurance supports us in the strategic development of our business, in particular with regard to loss prevention and debt default.



As a supplier of cables and wires to a domestic and international market, we need a credit insurer that understands our business risks and can respond quickly to our needs with effective communication. Atradius fulfils these requirements.

Ulrich Spies,
Head of Controlling, Finance
and Accounting
Klaus Faber AG



Alexander Ruppenthal
Leiter der Vertriebsniederlassung
Mitte

Our role

Our role is to provide Faber Kabel with credit insurance and business information to support their strategic development and business goals through a minimised exposure to risk. We work closely with the business and have built a strong working relationship dating back more than 40 years.

In practice this includes the evaluation of Faber Kabel's customers and potential customers, which we do both rapidly and objectively. In addition, the company uses

our wide-ranging knowledge concerning the current economic situation of industries, countries and companies as an information tool when managing their trading activities.

The amount of credit protection we grant for each of their customers is used by Faber Kabel as an indication of volume limit for their sales department. This allows them to trade effectively while minimising risk.

Outcomes

During the global financial crisis in 2008, we were able to demonstrate our importance as a critical partner for Klaus Faber AG. As Ulrich Spies acknowledges: "The downturn of several economies, in combination with financially weak enterprises and burdening currency exchange rates, were risks which we were able to deal with adequately thanks to the support of Atradius. That's why we have come through the crisis better than others.

"However, we also recognise that credit insurance is not just for financial crises. That is why we don't want to relinquish credit insurance even in economically good times. Our operational strategy is to minimise risk, regardless of the economic climate.

"This approach is relevant for all of our customer sectors, but is particularly important for the developing renewable energies sector. Booming industries like the solar and photovoltaic industry are subject to global competition, with sometimes ruinous, price wars. For this reason there can be widespread risks of payment default, even if the economy in general is running well.

"Moreover, our principal banks value our thoughtful and risk-minimising commercial policy. This perception of our company is also reflected by the financial strength of Faber Kabel and a range of positive company valuations made by different economic institutions".

About Klaus Faber AG

Located in Germany's industrial heartland, the Saarland, Klaus Faber AG specialises in the sale of cable and wire. The company supplies customers domestically in Germany as well as distributing its products throughout the Europe and the world. Today, Faber Kabel is one of Europe's largest cable distributors.

With an inventory comprising more than 8,000 products, Faber Kabel can offer customers a choice of more than 80,000 packaging units and an infinite number of cable length variations.

The company commits to customer-delivery anywhere in Germany within 48 hours and operates an infrastructure that supports global deliveries, no matter how complex. Faber Kabel prides itself on providing high quality cable and wire and excellent customer service built on a cornerstone of a strong internal team ethic.



Connect with Atradius



[linkedin.com/company/atradius](https://www.linkedin.com/company/atradius)



@atradius



[youtube.com/user/atradiusgroup](https://www.youtube.com/user/atradiusgroup)

Atradius Credit Insurance N.V.

David Ricardostraat 1
1006 JD Amsterdam
The Netherlands

www.atradius.com

Tel. +31 (0)20 553 9111