

## CLIENT CASE STUDY: POLYQUEST

# INVESTING IN THE FUTURE

PolyQuest is North America's largest distributor of PET resin (polyethylene terephthalate), and the leading processor and manufacturer of recycled PET scrap. It has built a behemoth global and domestic trading business, with a competitive and robust portfolio.

As sustainable as it is, the PET business is not without its challenges. First, it's a low-margin industry that must extend a significant amount of credit to increase revenue. Second, PET is used to produce products across various industries—from bottles to fiber to strapping—which means PolyQuest's customers are just as diverse. Some are reliable industry leaders, while others are smaller and hold more risk.

To offset credit and trade risk, PolyQuest partners with Euler Hermes for credit management and financial information services that prove crucial to the growth and security of its flourishing business, even in uncertain times.

## TRADE CREDIT INSURANCE TODAY, CASH FLOW PROTECTION AND PREDICTIVE KNOWLEDGE TOMORROW

A partnership with Euler Hermes protects PolyQuest's bottom line with fast coverage and credible financial insight into the myriad of customers it supplies. "What we went in for was trade credit insurance," says Mike Moran, Financial Controller and Credit Risk Manager at PolyQuest. "What we got was trade credit insurance and a partner with a wealth of knowledge throughout the industries that we sell to."

PolyQuest calls Euler Hermes' financial information "more accurate than any other" and says it is a key to its growth. As new opportunities and customers increased, PolyQuest required better data than it felt was available through standard outlets, such as credit agency reports and customer credit references.

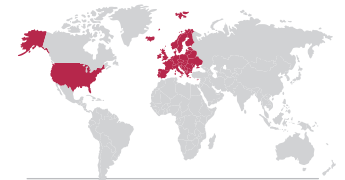
"The data we get from Euler Hermes is worth the cost of the policy on an annual basis without question," says Moran. "Outside of the industry knowledge from our commercial team, there is no better place for us to get financial data."

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Founded: 2000  
Started partnership  
with Euler Hermes: 2015

### Region:

North America and Europe



### Sector:



Chemicals

### Policy Benefits:



Credit and trade risk management



Thorough industry insights and financial intelligence



Support to drive revenue growth and expand operations



Increased speed and agility in the marketplace



Reliable customer service



Flexibility to design a policy that's best for the bottom line

## CHALLENGE: EUROPEAN EXPANSION

PolyQuest expanded its North American operations into Europe in September 2020. With that came a new set of rules and regulations, and PolyQuest faced unfamiliar credit risks, such as a different cash conversion cycle that required extended payment terms to customers. On top of that, banks in the EU often won't lend against a customer's receivables unless the receivables are insured.

**The Solution:** Euler Hermes, the world's leading trade credit insurer, is headquartered in Europe, where it has an established reputation and deep knowledge of European markets. PolyQuest quickly and easily expanded its existing North American policy to include

export sales. "Euler Hermes has been extremely important in allowing us to grow via borrowing from the bank in our ABL [asset-based lending] arrangement in Europe," says Moran.

Trade credit insurance also provides PolyQuest a comfort level for Europe's longer terms of sale and confidence when developing relationships with new clients. Extended payment terms help PolyQuest help its customers, while trade credit insurance "allows PolyQuest some more time to build comfort with new customers and their ability to pay us over time," says Tod Durst, President and Co-Owner of PolyQuest.

## CHALLENGE: NOT ENOUGH FINANCIAL DATA INSIGHT

PolyQuest has customers across a variety of industries, which creates quite the learning curve when it comes to financial health and data. In 2020, the COVID-19 pandemic further impacted data insight, restricting the face-to-face time PolyQuest's commercial team usually spends with customers.

**The Solution:** PolyQuest relies on Euler Hermes' financial data insight to not only help the commercial team vet new leads and stay informed of industry trends but also make quick sales—a notable benefit in a low-margin industry.

Euler Hermes' financial intelligence, market analysis, and trade credit protection give PolyQuest the confidence to be forward-thinking, not bureaucratic, when it comes to gaining new customers. PolyQuest

doesn't have to hold up a sale to do a thorough examination from afar. Instead, it can get short-term protection fast to make the sale.

"It's a lot easier to ask for coverage from Euler Hermes," says Moran. "If it gets approved, we're already hedging our risk." Meanwhile, the commercial team has time to do its due diligence.

"It's a daily challenge to get good financial guidance and data that we can pass along to the commercial team to ensure they're making informed decisions," says Moran. "But with COVID over the past year and as we grow, we know our customers, especially new customers, a little less. That's where Euler Hermes has helped the most."

## PARTNERSHIP PAYS

PolyQuest's partnership with Euler Hermes complements the strategy the company has always taken with its customers, which focuses on building long-term relationships. "We're a very relationship-based company," says Casey Altman, a Regional Account Representative with PolyQuest. "And with Euler Hermes, that's how we were able to grow so quickly—especially with flexibility in designing the type of policy we want to cover the customers we need to support our bottom line."

PolyQuest finds that Euler Hermes takes the same approach to its customer service: collaborative, friendly, accessible. "Sometimes you don't want to do business with the biggest and the best because you end up as a number, but our experience with Euler has been the opposite. I've been extraordinarily impressed with Euler's responsiveness. I always feel like a prioritized client," says Moran.

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– Mike Moran, Financial Controller and Credit Risk Manager at PolyQuest

### For more information you can:

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