

# „We want to make financial flexibility available in real time“

With the use of a digital platform, PB Factoring has created an instrument to process accounts receivables rapidly and reliably. Managing Director Dinko Mehmedagic explains how much further he would like to digitalize his business.



**Why are you digitalizing the factoring processes?** 20 years ago we purchased a software system which we have used to develop and constantly enhance a platform that today enables us to handle, in an uncomplicated and partly automated way, a large number of accounts receivables, and that with a very small team of under 100 persons. Thanks to our digital tool, we were able to process 17 million accounts receivables with a volume of 41.1 billion euros last year.

## How does the process work?

All our customers can access the customer portal. Our customers

transfer their accounts receivables, including subsidiary receivables, to us digitally. Our system then checks to see whether we already know the given debtor and if so, what our experience with him was and on what conditions we can accept the accounts receivable. Customers use our portal to view the accounts receivables in detail, including individual receivables, at any time they want.

## But you want to advance the system even further?

Absolutely. Our system is already partly digitalized, but we still operate

some stages of the process manually and the decision making process still takes its time. In the future we want to make financial flexibility in factoring available to our customers in real time and to make decisions in a matter of seconds.

## So that your customers know immediately how much liquidity is available to them.

Exactly. For many customers factoring is an essential part of their financial planning, especially when they are active internationally. Selling their accounts receivables provides them with immediate liquidity, which they can use for instance to swiftly settle their own invoices. With factoring they are operating active risk management and optimizing their balance sheets at the same time.

## They can achieve that with ABS as well.

But not so fast and easily. The ABS structure is complex and in the case of selling bundled claims, numerous employees need to be involved in an extensive

documentation procedure requiring legal approval. By comparison our structures and processes are much more efficient, more flexible and cost less too. Our customers can simply add new business partners (debtors) to the customer portal. Once we have checked the debtors, the invoices can be transferred to us.

## That saves a deal of paper.

Paper, electric current, waste; we are generally striving to reduce consumption to foster sustainability. When it is not viable, we buy certificates to compensate, or we plant trees. In that way we have been climate neutral for a year now. Sustainability is also becoming increasingly important for our customers. That is why we also offer ESG criteria in the framework of factoring to enhance solutions, thereby also supporting customers' efforts in the area of sustainability.

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