

Net30Score™



Reduce costs and save money by controlling DSO

PredictiveMetrics' Net30Score™ statistical decision model predicts the probability that an existing customer will become severely delinquent, go to loss, or bankruptcy.

Net30Score leverages the predictive power of your FREE internal performance data and delivers results through our ScoreMiner(SM) web-hosted report and query system or file transfer occurs via secure FTP Internet, minimizing IT resources with considerable cost savings.

Net30Score Benefits

- ◆ Reduce DSO and accounts receivable write-offs
- ◆ Lower expenses by utilizing your internal data; It's the most predictive, it's readily available, and It's free
- ◆ Minimizes IT resources, no software required with ScoreMiner web-based report and query system
- ◆ Increase credit and collection productivity and efficiency
- ◆ Score all accounts, not just bureau hits
- ◆ Objective decisions for better internal control to comply with the Sarbanes-Oxley Act
- ◆ Multiple versions available to best fit your needs

Net30Score Features

Net30Score™ statistical model for commercial accounts receivable portfolio management puts you in the driver's seat by providing you with a superior credit and collection decision system. This multifunctional decision tool is primarily used to drive risk based collections, but can also be used for order release and credit line management. Net30Score leverages the predictive power of your internal accounts receivable and collection data to drive model performance.

Only data needed to produce and validate the Net30Score:

- ◆ Monthly aging dollars
- ◆ Monthly balances
- ◆ Indicator of loss or bankruptcy
- ◆ Account number

Versions of Net30Score:

- ◆ Standard - Leverages the predictive power of your internal data
- ◆ Enhanced - Applies external commercial trade, public record, and demographic data with your internal data
- ◆ Custom - Blends your data with the most applicable external data for optimum performance on your portfolio

We are so confident in the predictiveness Net30Score will provide to you that we will validate it on your portfolio based on your bad definition for FREE using your company's internal performance data only.

Net30Score Output

1. Scores usually are on a scale of from 0 to 100
2. The probability that the account will go bad within 6 months from the date of score (PBAD)
3. The account's Risk Class, which is used as the basis for applying collection strategies
4. Dollars at Risk (DAR), the dollar value of an account's outstanding balance that is at risk
5. Multiple Adverse Reason Codes that explain why the account scored the way it did

Net30Score Validation Results by Risk Class

- ◆ For more efficient operations, 6 risk groups are utilized and accounts assigned based on their score.
- ◆ In the Extreme Risk category, the probability of an account going BAD was 40.3%. We could expect, therefore, that about 2 of every 5 accounts will not pay on a timely basis.
- ◆ On the other hand, in the Very Low Risk category, the probability of an account going BAD was 1.7%. Therefore, we could expect that only about 1 of every 59 accounts will not pay on a timely basis.
- ◆ Note that the odds of payment are primarily a function of the account's inherent risk as determined by its Net30Score and PBAD and not of the account's aging or the amount of money due.

ANALYSIS OF NET30SCORE OUTPUT

Average Number of Accounts per Month in Validation Sample - 135,600

Risk Class	Net30Score Range	Average Number of Accounts in Risk Class	Percent of Accounts in Risk Class	Cumulative Percent of Accounts Through Risk Class	Number of BAD Accounts in Risk Class	BAD Rate in Risk Class	Cumulative Percent BAD Through Risk Class
Extreme	≤ 37.68	5,006	3.7%	3.7%	2,019	40.3%	24.6%
Very High	37.69 to 47.49	6,009	4.4%	8.1%	1,315	21.9%	40.6%
High	47.5 to 58.39	9,250	6.8%	14.9%	1,221	13.2%	55.5%
Moderate	58.4 to 76.63	32,451	23.9%	38.9%	2,132	6.6%	81.4%
Low	76.64 to 82.07	24,342	18.0%	56.8%	511	2.1%	87.7%
Very Low	> 82.07	58,542	43.2%	100.0%	1,013	1.7%	100.0%

Enhance Collections with ScoreMiner, Web-Based Reporting & Querying

ScoreMiner(SM) web-based credit and collection scoring, data mining, report and query system leverages the predictive power of PredictiveMetrics' industry specific and custom behavior scores. Obtain a clear vision, now and historically, of credit and collection risk on your portfolio, sub-segment, and individual accounts to quickly assess the impact of your risk reduction strategies. ScoreMiner offers a simple, but robust way to measure credit and collection performance over time.



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