

FACT FILE

COMPANY: SMEG UK

ESTABLISHED: 1989 (ITALIAN PARENT GROUP ESTABLISHED IN 1948)

SECTOR: PREMIUM DOMESTIC APPLIANCES

MARKET: UK RETAILERS, DISTRIBUTORS, KITCHEN SPECIALISTS AND DEVELOPERS

“As our business picked up after 2013, we aimed to increase sales and diversify but we wanted to avoid undue risk. Coface offer flexible credit insurance cover and are prepared to cover our new markets.”

Irene Rous,
Credit Control Supervisor.

In brief:

As Smeg UK put its new growth strategy into operation and launched different product lines, it returned to Coface credit insurance to minimise trading risk.

Business challenge:

With their distinctive retro style, Smeg’s award-winning domestic appliances are a highly desirable addition to many kitchens. The company’s British subsidiary, Smeg UK, is based in Oxfordshire and has an annual turnover of more than £40 million. Its fridges, cookers and dishwashers are sold through major retailers such as John Lewis, Currys and B&Q, as well as independent electrical and home appliance stores.

Smeg UK had previously been insured by Coface for two years but it decided to self-insure during the recession. However, by 2013, company sales had picked up and it was ready to expand into new product areas and new markets. In 2014, it launched 150 new product lines in the UK, including a range of small domestic appliances (SDAs) such as kettles, blenders and toasters which are sold in a larger number of stockists including the Lakeland chain. In addition, it is increasingly winning contracts with kitchen fitters and house builders to supply packages of kitchen appliances for new housing developments.



In 2013, Smeg UK decided it was time to reconsider credit insurance to help it keep track of its growing customer base. Credit Control Supervisor, Irene Rous explained: “The big guys are usually fairly stable but we thought it was sensible to mitigate our risk given the different types of customers for our SDAs. We asked our broker, Aon, to look at a range of criteria including policy terms, premium cost and the level of no claims bonus.”

Coface solution

After evaluating the options and considering their previous experience, Smeg UK again placed its confidence in Coface's credit insurance which includes credit information, cover against bad debt and debt collections for a single annual premium.

To date, it has only been necessary to make one £1,000 claim under the policy which is testament to Smeg UK's successful approach to credit control. This starts with CofaNet, Coface's secure online policy management tool which Smeg UK uses to obtain credit decisions on its account customers and to monitor trading risk.

If a customer's credit limit is too tight, Irene Rous has found that Coface is willing to talk through the options so that Smeg UK can temporarily extend their cover and make a sale. "This flexibility is where the credit insurance policy shows its true value," she reflects.

Result

"We would recommend Coface because the policy is so flexible and easy to manage. When we had to make a claim, the service was very good and they paid within a month."
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Contact us

IF YOU WOULD LIKE TO CONTACT US WITH A GENERAL ENQUIRY REGARDING OUR PRODUCTS AND SERVICES, YOU CAN DO SO BY PHONE: **01923 478111** IN THE UK: **01 230 4669** IN THE REPUBLIC OF IRELAND

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