

illion COVID Commercial Index

Your key to better risk management in a rapidly changing economy



COVID-19 continues to have a profound effect on the economy, creating an environment of increased risk and rapid change. To help you manage these factors, we've developed Australia's and New Zealand's first COVID Commercial Index, an alternate indicator that complements our existing scoring algorithms and monitoring tools while providing you with the additional data and insights you need to anticipate and manage risk in this ever-evolving new economy.

What is the COVID Commercial Index?

It's a new performance index to help businesses better anticipate and manage risk at an industry and individual entity level; it takes temporary drivers of risk into account that may not show up or take longer to appear in conventional risk assessments.



A changing market requires a new way of assessing risk

As a result of COVID-19, businesses are no longer operating under normal market conditions, and that means conventional scoring and assessment methodologies may not perform as well as they used to. The COVID Commercial Index is designed to combat this, detecting COVID-specific changes that may not yet have been picked up by conventional monitoring or may be masked by industry factors such as stimulus payments, repayment holidays and loan deferrals.

Whether you choose to monitor an individual business entity or an industry at large, the index helps you identify key areas of focus by providing insights on:

- Winners and losers
- Ratings for individual companies and businesses
- Biggest movers
- Segmentation by industry, state and location

You can also combine the COVID Commercial Index with illion's existing scores for an even more robust risk management solution.

The COVID Commercial Index is ideal for:

- Tracking how the economy is impacted by COVID-19
- Risk underwriting and re-assessment
- Monitoring the performance and recovery of your customer base as COVID-19 evolves
- Enhancing Board reporting on how affected your customer base is
- Informing customer conversations i.e. for businesses with a good rating vs. more sensitive conversations with poor rating businesses

How the COVID Commercial Index works?

Leveraging complementary models in the USA and UK, the COVID Commercial Index works by drawing on trusted, comprehensive sources of proprietary data and insights available to illion that specifically track how COVID-19 has impacted: the Australian economy, consumer and corporate landscape and industry verticals.

Backed by the breadth and depth of our best-in-market data empowers the COVID Commercial Index with real time information, enabling this rich source of data and insights to stay up to date with current with the market and economic conditions. And given these factors are changing by the day, the COVID Commercial Index is continuously refined and improved to ensure that businesses have timely, relevant data and insights to help manage risk.

Key data inputs

Consumer and Commercial Spending

Our comprehensive data delivers a clear indication on the goods and services consumers are buying and from which companies, which then becomes a reliable indicator of revenue levels.

Trade Payments

Drawn from an extensive array of businesses across many sectors, our trade payment data, is highly predictive, making it an ideal tool for monitoring payment performance. This data gives the COVID index a great indication of revenue by measuring an increase or decrease in payments compared to pre-COVID levels.

NZ Government Support

Entities and segments receiving NZ Government subsidies are factored into the index, giving you a clear indication of companies that are receiving financial support.

A snapshot of the COVID Commercial Index at work

	Good FRS (Moderate or better)	Bad FRS (High or worse)
Good COVID Index Rating (85 -150)	Invest in customer protect against churn consider no payment holiday (120-150)	Watch Closely use Commercial Monitoring (85-119)
Bad COVID Index Rating (1 - 84)	Watch Closely use Commercial Monitoring (70-84)	Contact customer immediately (1-70)

How to interpret the index ratings

- **50 represents** that current revenues are expected to be half what they were pre-COVID
- **100 represents** that current revenues are expected to be approximately the same as pre-COVID
- **150 represents** that current revenues are approximately 50% (or more) higher than pre-COVID revenues

Band	Description
1-49	Suffering (Severely Affected)
50-69	Struggling (Highly Affected)
70-84	Surviving (Moderately Affected)
85-104	Maintaining (Somewhat Affected)
105-119	Succeeding (Growth)
120+	Thriving (Winner)

For a comprehensive look at how the COVID Commercial Index can benefit your business, get in touch with your **illion Account Manager** or **contact our team on 13 23 33**.