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# 17 years of living dangerously. Fortunately TCS have Coface in support.

TCS Media is an independent advertising agency in London. Their business is planning and booking media campaigns for clients such as AGA, JCB, Laura Ashley and Sudocrem, usually on a buy now, get paid later basis.

## The problem

This can put TCS in a very vulnerable position, not just occasionally, but on every major transaction. Sums are often measured in millions, and the agency remains liable until the client settles the bill.

### A lot of commitment, a little commission

As TCS Finance Director, John Hounsell says, "We are liable for the cost, whether or not the client pays us. When you consider that a campaign might cost £1 million and our return is typically a small agency commission, we obviously need protection in the event of a client's default."

### Even more to lose

In fact TCS stands to lose even more than just the cost of the advertising space. For each campaign they invest a lot of time and resource prior to making the booking. They research and recommend channels ranging from cinema and TV to print and digital media, planning the campaign to maximise effectiveness and negotiating the best possible rates.

tcs media



### Company summary

Independent advertising agency, planning and booking media campaigns.

### Challenges

TCS book campaigns in advance and are liable for large sums until their clients pay.

### Solution

Coface's online CofaNet service enables TCS to check the credit status of potential clients quickly enough to meet booking deadlines.

### Result

TCS have survived for 17 years, when many rivals have gone under.

"We are liable for the cost whether or not the client pays us"

### The Coface solution

The TCS Media business model makes credit insurance essential, and in fact the agency has had Coface credit insurance since 1999. As the relationship moves into its third decade, John says he continues to be delighted by the service, and not only when they have to make a claim.

**“We would recommend Coface to other companies because of the great service we have received over the years. We have a good relationship with the underwriters and everything works very well”**

### Crucial to cash flow

“It has been a while since we had to make a claim” he adds. “The last one was for £250,000 about 10 years ago. However, one of the major reasons we have stuck with Coface all this time is that they always paid promptly after liability has been accepted, even with such big claims. That is obviously very important for our cash flow.”

### Essential to compliance

Having the right credit insurance also enables TCS to retain the industry recognition it requires to be able to function in the media market and earn commission. Trade organisations such as the News Media Association carry out financial due diligence on advertising firms, vet the companies for creditworthiness and insist on credit insurance. However, as John points out “we would have a policy anyway, because I need to sleep at night!”

### Speedier decision-making

Advertising is a fast-paced, ruthless industry and TCS can only keep its competitive edge by making rapid decisions. CofaNet, Coface’s online policy management tool enables TCS to do this by turning around credit limit requests very quickly, so they can meet booking deadlines. “Credit limits are not always a top priority for staff when they go out to win clients,” says John.

“It’s not unknown for someone to come into the office on Thursday to say we need to book some advertising space for that Sunday. In those situations, it is important that we can make credit limit requests to Coface and be sure of a quick response.”

### Informed is forearmed

TCS Media’s disciplined approach to credit risk is further supported by the constant flow of up-to-date and reliable information they receive from Coface, based on their access to the latest financial data on 80 million companies worldwide, plus expert reports on countries, regions and sectors. “If a credit limit is refused, we always insist on pre-payment” John explains. “We know some small agencies have gone under owing a lot of money.” He has no intention of letting that happen to TCS.



**If you want to know more about the “know more, grow more” effect a credit insurance policy can bring to your business, talk to the experts at Coface on [0800 0856 848](tel:08000856848).**