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Create a clear vision of your future

Three data-driven ways to stay ahead of your competition

Facing **challenges** with a view to the future

The past two years have been one huge stress test, for both business and the organisations promoting the interests of Dutch businesses. Now that the corona pandemic and all associated measures are persistently disappearing out of sight, policy makers are starting to look ahead again.

Although looking ahead inspires more hope than the predominant sentiment in the past 24 months, the challenges have of course not suddenly been swept off the table. On the contrary; even without restrictive corona measures, the private and (semi) public domain are seeing the risks all around them.

Fraud risks further increased

Even more so: some risks that were already there before corona have actually gotten bigger. Fraud risks, for example, are now an even more important point of attention within all organisation types.

The [Global Integrity Report 2022](#) by EY shows that more than half of the leaders and employees are of the opinion that business integrity has not improved in the past year. 41 percent even indicates that the corona pandemic has made acting with integrity significantly more complicated.

The fact people do not estimate the chance of, for example, cyber crime even higher is alarming to say the least. The chance of being affected has not reduced. Worse; it has actually increased. A study by [ABN Amro](#)* postulates the possible explanation that in the last period people have been far more focussed on other issues, such as continuity of operations and the health of employees.

Compliance remains crucial

Simultaneously, the stricter laws and regulations in the field of compliance have forced companies to be far stricter when it comes to performing checks on their customers. Are these parties actually who they claim to be? And are they really doing as well as they claim?

Organisations are still playing catch-up. Rabobank [recently announced](#)* dedicating a further 249 million euros to the backlog in customer checks. At the end of 2021, the major bank was warned by the Dutch National Bank that it was still not complying with the Wet ter voorkoming van witwassen en financiering van terrorisme (Wwft, Prevention of Money Laundering and Terrorist Financing Act).

Impending bankruptcies

Good insight into your customers and suppliers is not only important within the framework of the stricter legislation. As an organisation, it actually benefits you as well. After all, it remains to be seen what organisations - as a result of the past two years - will remain standing in the future. Although the number of bankruptcies in 2021 [was historically low](#)*, there is a shared conviction that the generous support measures provided by the government have dampened the true effects of corona so far. Although the postponement on paying taxes was extended further until 31 March 2022, eventually the piper must be paid. The answer to the question of how organisations are going to pay back that gigantic mountain of outstanding debt remains a mystery.

Must start looking ahead

With the significant degree of uncertainty about the future, the need for a reliable forecast increases. How is your organisation keeping itself afloat in these challenging times? In our view, that comes down to three essential aspects.

- 01. With the right preparations.**
- 02. By taking the right decisions.**
- 03. Do not let the future happen to you, instead plan it out strategically!**

*Article only available in Dutch



The **right** preparations

The challenges are huge, diverse, and how they will develop over the coming period remains to be seen. One thing is certain, however: do you want to be able to respond to developments, regardless of the direction in which the challenges move? Then you will firstly need to make sure you have your organisation, and the information available to you, properly in order. This forms the backbone for your company to fall back on time and time again. To confirm that your organisation is on the right path, or to recalibrate and then plot a new course.

Don't be late!

Are you not going to start organising the basics until after the problems arise? Then you will be far too late.

Make sure not to wait for your organisation to start fraud prevention until after the first fraud cases are identified. Ensure that you don't wait to get started on compliance until after the authorities are on your doorstep, ready to point out your organisation's shortcomings. Do not stay on the course that other parties have plotted for themselves, rely on your own insights for a forecast of the future.

Action required

Easier said than done, of course; we understand that. But that is all the more reason it is important to make the necessary preparations now. To get started with a critical analysis of your security policy and fraud detection. To automate client checks as much as possible. To research the possibilities of predictive data. After all: repairing the roof is a lot more comfortable while the sun is shining.

Take the **right** decisions

Taking the 'right' decisions, it sounds so obvious. After all, not a single organisation with the heart in the right place takes decisions they already know to be 'wrong'. But how do you determine which decisions are right and which ones aren't?

Of course: it is impossible to give a one-hundred percent guarantee, but aside from such nuances, the answer is fairly simple: by moving away from gut feelings as the primary advisor and instead basing decisions on (company) data.

Data-driving entrepreneurship isn't even a buzzword anymore; more and more organisations have already gotten to work with it. Good news as we see it! The problem now is primarily that people still leave far too much potential untapped, in everything that data could be used for. Because it is considered the responsibility of one single department, usually IT. Or because organisations still see data-driven entrepreneurship as a project, with a start and finish. Data-driven business is much more than that.

Data-driven entrepreneurship must become an integral part of the decision-making process. The same way that everyone within the organisation must also always strive to take the right decisions; that is not the responsibility of one business unit and isn't covered by one project.

Profit in the long term

The advantages of getting started with integral data-driven entrepreneurship are as numerous as they are obvious. Are you certain your (chain) partners are the right organisations for doing business with? Then you will benefit from that even when things are financially less fortuitous. After all, the question is who will ultimately be able to (re)pay the corona support and postponed tax levies. If you are pre-organising for this, the risk of problems in the future significantly reduces.

Data-driven entrepreneurship also offers gratifying insights with regard to your client portfolio, which will benefit you at a later time. Does the (historic) data show that clients – which you may have been doing business with for years – are always paying just in time or just too late? And does the available business data show that the chance of insolvency is very high as well? Then it may be wise to terminate that business relationship, or at least to arrange a sit down to review matters. Not only do you take away the biggest risk for your own organisation by doing this; there are suddenly also resources available, for customers who do have their affairs in order.

All such useful insights, which become accessible by making good use of high-quality and up-to-date business information.

Do not just let the future happen to you, plan it out strategically!

It is impossible to make watertight predictions for the future. On the other hand, that doesn't mean that the future is something that just 'happens' to you. On the contrary; with the help of the right data and analyses, you can stay a step ahead of your competitors.

Because you previously already decided to move your organisation in a certain direction. Or because you – by investing in it at the right time - have the right data, tools, and mindset at your disposal to very quickly respond to expected and unexpected developments alike. By doing this, you are truly practicing future-proof entrepreneurship.

Constantly gauging and recalibrating

The strategic planning of your future is not done in a single meeting; it is something you must be constantly working on, to assure yourself that you are still on the right course. After all, historic data is supplemented with new information every single day and as such provides new insights every time. Lessons that your organisation needs to act on. Historic data paves the way for what might happen in the future, but that forecast is constantly subject to change.

Future-proof entrepreneurship therefore requires a combination of data, tools, and a proactive mindset. Research by [BDO, Rabobank, and the European Centre for Family Business*](#) (ECFB) shows for example that it is in particular the reflective family businesses who dare to make decisions are best equipped to continue operating after crisis periods and are able to take their organisations to the next level. While inactive organisations see significant decreases in their profitability over time. So, this study shows among other things that it pays to take action.

Making a start applies to all transformation questions

The study by BDO, Rabobank, and ECFB looks, for example, at changing the ownership strategy, but really the lesson to be learned concerns all transformation questions that you, as an organisation, are facing today. It's not that you have to take the right policy decisions to remain in effect forever, but it is important that you make a start. Other organisations aren't waiting either.

**Article only available in Dutch*



Risk minimisation using predictive data analytics

Further increasing fraud risks, ever stricter legislation within the framework of customer checks, and possible bankruptcies of partners and customers; a diverse range of risks that practically every organisation is struggling with to a greater or lesser extent. However, all of these widespread challenges are pointing towards one and the same solution: data-driven entrepreneurship, based on predictive data analytics!

Predictive Data and Fraud Prevention

Using predictive data, you can detect security threats even before they actually take place. Using patterns in data sets, you are able to timely discover exactly where the fraud risks in your organisation are hiding. And you can act on them before it's too late.

Predictive Data & Compliance

For your challenges in the field of compliance, up-to-date business information and predictive data models also offer solutions. No backlogs of customer checks, no manual searching through national and international fraud databases and lists, but automated workflows that make data-driven

assessments of which customers do and don't pass the *checks & balances*. It is not without reason that Gartner recently [suggested](#) that especially the compliance function is in need of data knowledge and science.

Predicting Bankruptcies

Without access to high-quality business information, many bankruptcies will come as a surprise. Do you have access to business data and predictive data models? Then, in many cases, you will be able to predict when an organisation is at risk of failing.

Are payments being made later and later? Or are there sudden changes to the organisation's structure? Are there, for example, relatively many UBOs in a relatively short timespan? All of these are red flags that indicate a high likelihood of impending bankruptcy. This gives you the opportunity to take timely action. Not even necessarily by saying farewell to this party; you could also sit down with them to discuss changes to the conditions of your business relationship. With your insights in the back of your mind.



You are not alone in your mission to find solutions to the challenges you face. Graydon is here to provide support. We have the data, the tools, and years of experience to help you convert the information into actionable insights.

Curious about predictive data and what it can do for your organisation? Let's get in touch! Leave your contact details [here](#), and we will contact you as soon as possible!

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