



CASE STUDY: POLYQUEST

Investing in the Future

Founded: 2000

Started partnership with
Allianz Trade: 2015

Region:

North America
and Europe



Sector:



Chemicals

Policy Benefits:



Credit and trade risk
management



Thorough industry insights
and financial intelligence



Support to drive revenue
growth and expand
operations



Increased speed and
agility in the marketplace



Reliable customer
service



Flexibility to design a
policy that's best for the
bottom line

Trade Credit Insurance Today, Cash Flow Protection and Predictive Knowledge Tomorrow

PolyQuest is North America's largest distributor of PET resin (polyethylene terephthalate), and the leading processor and manufacturer of recycled PET scrap. It has built a behemoth global and domestic trading business, with a competitive and robust portfolio.

As sustainable as it is, the PET business is not without its challenges. First, it's a low-margin industry that must extend a significant amount of credit to increase revenue. Second, PET is used to produce products across various industries—from bottles to fiber to strapping—which means PolyQuest's customers are just as diverse. Some are reliable industry leaders, while others are smaller and hold more risk.

To offset credit and trade risk, PolyQuest partners with Allianz Trade for credit management and financial information services that prove crucial to the growth and security of its flourishing business, even in uncertain times.

A partnership with Allianz Trade protects PolyQuest's bottom line with fast coverage and credible financial insight into the myriad of customers it supplies. "What we went in for was trade credit insurance," says Mike Moran, Financial Controller and Credit Risk Manager at PolyQuest. "What we got was trade credit insurance and a partner with a wealth of knowledge throughout the industries that we sell to."

PolyQuest calls Allianz Trade's financial information "more accurate than any other" and says it is a key to its growth. As new opportunities and customers increased, PolyQuest required better data than it felt was available through standard outlets, such as credit agency reports and customer credit references.

"The data we get from Allianz Trade is worth the cost of the policy on an annual basis without question," says Moran. "Outside of the industry knowledge from our commercial team, there is no better place for us to get financial data."

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Partnership Pays

PolyQuest's partnership with Allianz Trade complements the strategy the company has always taken with its customers, which focuses on building long-term relationships. "We're a very relationship-based company," says Casey Altman, a Regional Account Representative with PolyQuest. "And with Allianz Trade, that's how we were able to grow so quickly—especially with flexibility in designing the type of policy we want to cover the customers we need to support our bottom line."

PolyQuest finds that Allianz Trade takes the same approach to its customer service: collaborative, friendly, accessible.



Sometimes you don't want to do business with the biggest and the best because you end up as a number, but our experience with Allianz Trade has been the opposite. I've been extraordinarily impressed with Allianz Trade's responsiveness. I always feel like a prioritized client.

Mike Moran

Financial Controller and Credit Risk Manager at PolyQuest

Challenge: European Expansion

PolyQuest expanded its North American operations into Europe in September 2020. With that came a new set of rules and regulations, and PolyQuest faced unfamiliar credit risks, such as a different cash conversion cycle that required extended payment terms to customers. On top of that, banks in the EU often won't lend against a customer's receivables unless the receivables are insured.

The Solution: Allianz Trade, the world's leading trade credit insurer, is headquartered in Europe, where it has an established reputation and deep knowledge of European markets. PolyQuest quickly and easily expanded its existing North American policy to include export sales. "Allianz Trade has been extremely

Challenge: Not Enough Financial Data Insight

PolyQuest has customers across a variety of industries, which creates quite the learning curve when it comes to financial health and data. In 2020, the COVID-19 pandemic further impacted data insight, restricting the face-to-face time PolyQuest's commercial team usually spends with customers.

The Solution: PolyQuest relies on Allianz Trade's financial data insight to not only help the commercial team vet new leads and stay informed of industry trends but also make quick sales—a notable benefit in a low-margin industry.

Allianz Trade's financial intelligence, market analysis, and trade credit protection give PolyQuest the confidence to be forward-thinking, not bureaucratic,

important in allowing us to grow via borrowing from the bank in our ABL [asset-based lending] arrangement in Europe," says Moran.

Trade credit insurance also provides PolyQuest a comfort level for Europe's longer terms of sale and confidence when developing relationships with new clients. Extended payment terms help PolyQuest help its customers, while trade credit insurance "allows PolyQuest some more time to build comfort with new customers and their ability to pay us over time," says Tod Durst, President and Co-Owner of PolyQuest.

when it comes to gaining new customers. PolyQuest doesn't have to hold up a sale to do a thorough examination from afar. Instead, it can get short-term protection fast to make the sale.

"It's a lot easier to ask for coverage from Allianz Trade," says Moran. "If it gets approved, we're already hedging our risk." Meanwhile, the commercial team has time to do its due diligence.

"It's a daily challenge to get good financial guidance and data that we can pass along to the commercial team to ensure they're making informed decisions," says Moran. "But with COVID over the past year and as we grow, we know our customers, especially new customers, a little less. That's where Allianz Trade has helped the most."

