

20 years of Euler Hermes Switzerland: From no-name to market leader

WALLISELLEN - 16 OCTOBER 2015 – Euler Hermes Switzerland was founded twenty years ago on 16 October 1995. From its origins as an unknown company in the strong Swiss financial center, Euler Hermes has developed and is now the market leader in the local credit insurance market.

The group is also the international leader in the sector. Today, Euler Hermes credit insurance is used primarily by Swiss wholesalers and local industry as a key component of risk management. Over the last 20 years Euler Hermes Switzerland has constantly adjusted its range of services to meet changing economic requirements, reinventing itself as a provider of comprehensive risk management solutions. Digitalization is now driving change and Swiss companies can expect innovative policies that are tailored to specific sector requirements and integrate new systems for policy holders and brokers.

Swiss credit insurance market 20 years ago: Greater price acceptance, local orientation

"The market was very challenging in those days. High levels of corporate equity, low insolvency rates, efficient debt collection processes and a highly developed banking sector did not make our business easy," says Ludwig Mertes, the first CEO of Euler Hermes Switzerland, now Head of Euler Hermes' Austrian subsidiary.

However, the still relatively untapped Swiss market also offered opportunities, because something "new", a little-known product, was on offer. "Overall, customers were happier to pay for Swiss quality 20 years ago. Today, virtually everywhere we are up against globalized markets and products which are increasingly comparable in terms of quality. The markets have also become much more transparent," explains Jules Kappeler, another former CEO of Euler Hermes Switzerland and now CEO Nordic Countries at Euler Hermes.

Euler Hermes Switzerland: From credit insurer to provider of risk management solutions

Companies in general and SMEs in Switzerland in particular increasingly need an international presence if they want to remain successful. Swiss quality, or "Swissness", has maintained a strong position over the last 20 years, the result being that many Swiss companies still benefit from the image of Swiss quality abroad. Swiss quality, including in the services sector, has its price however, and the exchange rate issue is increasingly forcing companies to develop new markets. At the same time, outsourcing of credit assessment and international bill collection to globally operating partners is becoming more and more widespread. Keeping pace with the changing environment, Euler Hermes Switzerland has grown from a simple credit insurer to a provider of risk management solutions, as Euler Hermes corporate solutions have become more individual and customized. However, the company now also covers security deposits, sureties and guarantees, demand for which is steadily growing, particularly among international players. Its expanded range of products also includes fidelity insurance, which covers cybercrime and hacking attacks and is now a must for many companies. International collection solutions – more than simply a legal challenge for Swiss firms - are also very popular with Swiss companies.

Swiss foreign trade: 196% growth over the last 20 years despite economic and political turbulence

Euler Hermes Switzerland helps exporting companies to grow securely abroad and has developed in parallel with the country's growing export industry. Swiss foreign trade has boomed over the last 20 years. From CHF 96 billion in 1995, the value of goods exports grew to CHF 285 billion in 2014, an impressive rise of 196%. Unsurprisingly, exports to China including Hong Kong grew during this period from less than CHF 4 billion to CHF 39 billion. The export share of Switzerland's European trading partners has fallen from 66% to 48%. The Swiss economy has become far more global.

In order to remain competitive internationally, however, the export sector has had to keep reorienting and adapting. Exchange rates have always been a challenge, but other issues such as quality and innovation have also been in the spotlight when it comes to finding global niche markets. In addition, manufacturing jobs have been lost, although the services sector has overcompensated for this.



"To maintain optimal conditions for industry, the increasingly bureaucratic hurdles at political level have to be met head on. It is also clear that certain ballot decisions and the current relationship between the EU and Swiss industry are not helpful and need to be resolved," says Stefan Ruf, CEO of Euler Hermes Switzerland.

Innovations - what Euler Hermes has in store for the Swiss market

Euler Hermes is pressing strongly ahead with digitization. What are the best and quickest information sources to prevent losses? How can these sources be evaluated better, faster and more cost-effectively? How can they be made available to customers and how can decision processes be speeded up even more? How can data on the credit history of a portfolio be aggregated and made available for business management purposes? These are the questions the specialists at Euler Hermes are trying to answer, as they work to develop further innovative policies tailored to specific industry needs.

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Euler Hermes is the global leader in trade credit insurance and a recognized specialist in the areas of bonding, guarantees and collections. With more than 100 years of experience, the company offers business-to-business (B2B) clients financial services to support cash and trade receivables management. Its proprietary intelligence network tracks and analyzes daily changes in corporate solvency among small, medium and multinational companies active in markets representing 92% of global GDP. Headquartered in Paris, the company is present in over 50 countries with 6,000+ employees. Euler Hermes is a subsidiary of Allianz, listed on Euronext Paris (ELE.PA) and rated AA- by Standard & Poor's and Dagong. The company posted a consolidated turnover of €2.5 billion in 2013 and insured global business transactions for €789 billion in exposure at the end of 2013. Further information: www.eulerhermes.com, [LinkedIn](#) or Twitter [@eulerhermes](#).

The over 50 employees of Euler Hermes Switzerland are based in Zurich, Lausanne and Lugano.

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