



# Snap-on Credit LLC

BusinessIQ<sup>SM</sup> gives access to tools that can be used in all phases of the credit life cycle.

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Snap-on Credit LLC has been an Experian user for more than 10 years and relies on Experian data when making credit decisions within its leasing program.

## Client

Snap-on Credit LLC operates as a subsidiary of Snap-on Incorporated and provides various financing activities that include financing programs for franchise customers and Snap-on's industrial and other customers for the purchase or lease of tools, equipment and diagnostic products. Snap-on Credit utilizes Experian's BusinessIQ<sup>SM</sup> product to administer its leasing program, which is offered primarily to small-business owners in the auto repair industry. The equipment product category supported by Snap-on Credit includes solutions for the diagnosis and service of vehicles and industrial equipment. Products include wheel alignment equipment, wheel balancers, tire changers, vehicle lift and other service equipment.

Snap-on Incorporated is a leading global innovator, manufacturer and marketer of tools, equipment, diagnostics, repair information and systems solutions for professional users performing critical tasks. Products and services include hand and power tools, tool storage, diagnostics software, information and management systems, shop equipment and other solutions for vehicle dealerships and repair centers, as well as customers in industries including aviation and aerospace, mining, natural resources and power generation. The company sells its products and services through its franchisee, company-direct, distributor and Internet channels. Founded in 1920, Snap-on is a \$2.9 billion S&P 500 company headquartered in Kenosha, Wis.

## Challenge/Objective

Snap-on Credit has a diversified user base within its leasing segment that relies on industry-leading equipment. Managing the credit operation for several different channels and setting the credit policies for a diverse customer base ranging from single owner/operators to the largest professional automotive dealerships poses its challenges.

As with many companies in the industry, Snap-on Credit faced a wide range of credit-quality customers stemming from the aftermath of the economic crisis. The company also wanted to maximize its lease volume to customers purchasing Snap-on equipment. This meant getting even more information on credit risk in order to increase approval rates by 5 percent to 10 percent. With a changing economy, Snap-on Credit needed to be laser-sharp in its risk assessment and ongoing performance requirements. Increasing the number of approvals invariably brings more risk, so better data and easier-to-use products were critical.

The limited information available on small-business owners always had posed challenges, but the easy access to the combined commercial and consumer product available through BusinessIQ allowed Snap-on Credit to be in a better position to make more informed decisions on a wide range of credit risks.

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The company utilized multiple credit data providers for many years. Over the years, Steve Spinozza, Vice President of Credit, had noticed steady improvement in the quality of Experian's data and services, such as the Web application BusinessIQ.

In addition, the Snap-on Credit account manager has a longstanding history of excellent customer service with Snap-on Credit. These continued improvements and excellent customer service, combined with continual price increases from another provider, resulted in the company's decision to consolidate providers and rely strictly on Experian. "It really was a straightforward and easy decision — quality data, competitive pricing and great service," cited Spinozza.

### Resolution

Snap-on Credit needed to grow its business while maintaining focus on limiting risk. The company required an online platform that provided access to tools to manage the entire credit life cycle. With BusinessIQ, Snap-on now has access to tools that can be used in all phases of the credit life cycle, including opening accounts and managing them.

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**"I have seen a steady improvement in the quality of Experian data and products. their customer service is excellent, and with access to their BusinessIQ platform, we can be more confident with our decisions."**

— **Steve Spinozza**, Vice President of Credit, Snap-On Credit LLC

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### Results

One of the first clients to migrate to BusinessIQ, Snap-on Credit has grown its business while continuing to limit risk. Finding BusinessIQ very easy to use, Spinozza and his team now have access to all the tools they need to be more comfortable with their credit decisions.

BusinessIQ allowed the team to source data on both the smallest credit applicants and the largest strategic customers.

Business Owner Profile gave insight on those small businesses for which there is not much credit history. This blended approach provided the data needed to get a clearer picture of current and future payment behavior on both the owner and the business.

Business Premier Profile<sup>SM</sup> generated the detailed trade and public record information needed to set terms for larger requests. According to Spinozza, "The most important aspect may very well be the alerts available with BusinessIQ, which allow the company to proactively monitor high-risk accounts." Snap-on Credit also has been able to more proactively track accounts and obtain the critical change data it needs to react quickly and minimize potential losses.

The easy-to-use BusinessIQ application allowed Snap-on Credit to be more comfortable in its decisions and confidently increase the volume of approvals 5 percent to 10 percent while continuing to limit its risk exposure.