



# Los Angeles County Metropolitan Transportation Authority

BusinessIQ<sup>SM</sup> helps shorten client's credit application process of new accounts.

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For more than five years, BusinessIQ<sup>SM</sup> has provided the Los Angeles County Metropolitan Transportation Authority (LA Metro) with insightful data to make informed business decisions and maximize risk mitigation.

## Client

Founded in 1993, the LA Metro is the public transportation operation agency for Los Angeles County. Covering a service area of 1,433 square miles, the LA Metro provides public transportation access to one of the country's largest, most populous counties — with more than 9.6 million people who live and work there. In addition to being a public transportation operations agency, the LA Metro is unique in that it also serves as a transportation planner and coordinator, designer and builder.

## Challenge/Objective

The LA Metro needed to shorten its credit applications cycle to handle its volume of credit applications. Most of the agency's credit applicants are small businesses that do not have audited financial statements that can be relied on for credit recommendations. Without audited financial statements, the LA Metro had limited information on small business owners — a hurdle that made it next to impossible to determine how much credit to extend and at what terms. Accounting Manager Ray Chio and his team were responsible for processing credit applications, accounts receivables and collections, with a goal of limiting risk while setting reasonable terms. Chio needed a product that would allow the LA Metro to reduce its credit application cycle with the least amount of risk.

## Resolution

The LA Metro needed to access data on small businesses through an easy-to-use tool that required no software to load or information technology (IT) resources to implement. With BusinessIQ, the agency now has access to the data and tools needed for all phases of the credit life cycle, including opening and managing accounts. Since BusinessIQ is a Web-based application, Chio and his team had instant access to the data and tools without the need for additional IT resources or software.

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**“Experian's Business Information Services provides us comprehensive information to help make more informed business decisions.”**

— **Ray Chio**, Manager, Los Angeles County Metropolitan Transportation Authority

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### Results

BusinessIQ allows the LA Metro to easily access both commercial and consumer data and review their accounts on a regular basis. Chio and his team uses the credit history and other pertinent information from Experian commercial and consumer reports in conjunction with any financial statements that are provided by the applicants. The score, credit limit recommendation, tradeline and payment history, derogatory legal information and inquiries are all critical pieces of information they use in their decision making. "Understanding the current market and being able to quickly adapt to changes is vital to achieving growth," says Chio. "Experian's Business Information Services provides us comprehensive information to help make more informed business decisions."

The easy-to-use BusinessIQ application provided the LA Metro with the information they needed to make confident decisions and limit those accounts over 90 days to fewer than 5 percent of their overall receivables.