


NACM Connect Fort Wayne 2026

Intentional Risk Strategy

How Credit Leaders Add Enterprise Value

John Cornell | Crescendo Trade Risk | www.crescendo-trade.com | May 6, 2026 | Fort Wayne, IN

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John Cornell
Crescendo Trade Risk
Founder and President

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The History of Credit Managers & Credit Management

Companies began formally hiring credit managers in early 1900s (roughly 1900–1920) when the rapid expansion of trade credit created too much financial risk for.....

...sales teams to manage alone.

You've got to be kidding




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The History of Credit Managers & Credit Management

The Evolution of the Credit Manager Role

Over time the role became more strategic.

Era	Role of Credit
1900-1930	Approve customers, collect receivables
1930-1960	Financial analysis, trade reporting
1960-1990	Credit policy, A/R systems
1990-2010	Global credit management
2010-Today	Risk strategy, trade credit insurance, working capital optimization



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The History of Credit Managers & Credit Management

The Evolution of the Credit Manager Role

Modern credit leaders are often responsible for:

- Working capital
- Risk transfer strategies
- Sales enablement
- Supply chain stability



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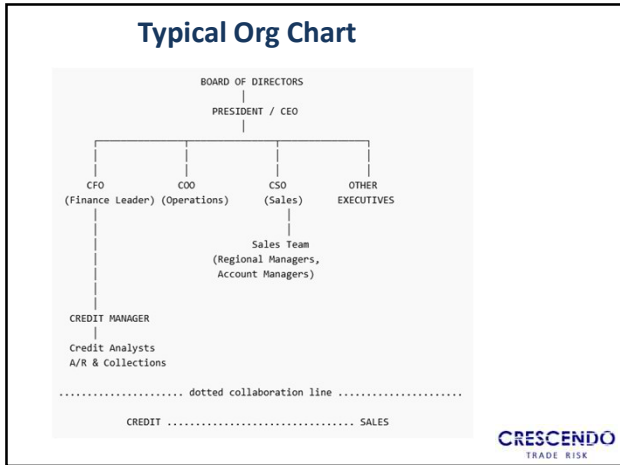
Better Credit Management Starts With Intentional Risk Strategy

But First.....

1. Know who you are. Do you have the right wiring?
 - Is your Credit Team tactical, operational, or strategic?
1. Know Your Organization
 - the roles
 - the people
 - the drivers



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What's Important to THEIR Role?

- Sales
- CFO
- Prez/CEO

So what is expected of Credit?

- Board of Directors/Ownership

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The Credit Manager Tightrope Zone

You are required to Balance the needs of each role and responsibility to help the organization meet their goals.

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THE CREDIT TIGHTROPE

TOO TIGHT
STALLS GROWTH

TOO LIBERAL
INVITES VOLATILITY

REWARD RISK

FIND THE SWEET SPOT

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**Would it be better to explain the decision to Retain Risk or Transfer Risk to your Board of Directors before a large bad debt...
... or after?**

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Risk Retention vs. Risk Transfer




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Risk Retention vs. Risk Transfer

Risk Retention – You take the risk, if they don't pay, it's comes off bottom line
Self Insurance

Risk Transfer – You pay to have another party share or absorb the risk
Credit Insurance



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Risk Retention vs. Risk Transfer

**Intentional Risk Retention
vs.
Intentional Risk Transfer**

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**Better Credit Management Starts
With Intentional Risk Strategy**

SELL MORE | RISK LESS

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Credit Department Evolution

<ul style="list-style-type: none">• Traditional Role• • Gatekeeper• • Block risk• • Say 'No'	<ul style="list-style-type: none">• Strategic Role• • Growth Partner• • Structure risk• • Say 'Yes, but...'
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Credit Department Evolution

• Traditional Role	• Strategic Role
• • Gatekeeper	• • Growth Partner
• • Block risk	• • Structure risk
• • Say 'No'	• • Say 'Yes, but...'

The Tools too have Evolved

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From Gatekeeper to Growth Facilitator:

How Credit Leaders Add Enterprise Value

**Credit Department Evolution
To Strategic Partner Driving
Enterprise Value**

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**Credit risk isn't the problem.
Uncertainty is.**

Every company already has a risk strategy — whether they realize it or not.

**Some choose it intentionally.
Most drift into it.**

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Tactically, Why Companies Transfer Trade Risk

- Protect against catastrophic A/R losses
- Expand sales safely
- Support bank financing
- Manage customer concentration



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Strategically Why Companies Transfer Trade Risk

- Intentional Transfer of Risk that supports your growth (anyone with extended terms)
- Utilize tools available to speed decisions and ongoing monitoring (Get instant credit approval for RR-7 under \$200K)
- Free time and resources to focus where the risk is (600 customers, 26 were not insurable)
- Recognition that Rear View Mirror isn't a predictor (Cumulus Media and First Brands had Always Paid)
- Have an Intentional Risk Retention or Transfer plan that matches their risk tolerance



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Intentional Risk Checklist

- 1. Customer Concentration Awareness
- 2. Forward Looking Risk Visibility
- 3. Loss Scenario Awareness
- 4. Growth Risk Alignment
- 5. Risk Strategy Decision



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Intentional Risk Checklist

- **1. Customer Concentration Awareness**
- Do we know:
 - Our top 5 customers as a % of total receivables?
 - Our largest single customer exposure today?
 - The financial health trends of our largest accounts?
 - How quickly we would detect deterioration?

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Intentional Risk Checklist

- **2. Forward Looking Risk Visibility**
- Do we rely primarily on:
 - Payment history
 - Aging reports
 - Historical experience
- Or do we also evaluate:
 - Industry trends
 - Customer financial signals
 - ownership changes / leverage
 - macroeconomic exposure

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Intentional Risk Checklist


- **3. Loss Scenario Awareness**
- Have we intentionally evaluated:
 - What happens if our largest customer fails?
 - What a major bad debt would do to earnings?
 - How lenders would react to a significant write-off?
 - The impact on working capital and borrowing base?

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Intentional Risk Checklist


- **4. Growth Risk Alignment**
 - When sales expands credit, do we ask:
 - Are exposures increasing faster than visibility?
 - Is credit risk reviewed during major growth initiatives?
 - Are credit and sales aligned on risk tolerance?
 - Are new markets evaluated differently?



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Intentional Risk Checklist

- **5. Risk Strategy Decision**
 - Has leadership intentionally decided whether to:
 - Retain the risk internally
 - Reduce the risk through credit discipline
 - Transfer some risk externally (insurance, guarantees, etc.)
 - Or has the organization simply **continued existing practices**?



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John Cornell
Crescendo Trade Risk
 Founder and President
John.cornell@crescendo-trade.com
 414-269-8655

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