CASE STUDY

From Reactive to Proactive: Transforming Financial Health Intelligence at the Nuclear Decommissioning Authority

The Challenge

The Nuclear Decommissioning Authority (NDA)—a public body that is charged, on behalf of the government, to clean up the UK's earliest nuclear sites safely, securely, and cost-effectively — needed to understand their critical suppliers' financial health. They wanted a platform that offered in-depth financial analysis, plus the ability to generate on-demand reports that provide comprehensive insights based on actual financial data.



The Solution

The NDA turned to RapidRatings to augment their existing supply chain intelligence systems suite with RapidRatings' proprietary algorithm that spots financial risk months or years in advance. Known as the Financial Health Rating (FHR), this rating is a single number from 0-100 that indicates a company's overall financial health at a glance. The FHR is an industry standard for determining a company's viability.

With this information, the NDA could cross-check the financial health ratings with other supplier risk analysis and their internal contract management monitoring. This analysis empowers the NDA to securely solicit financial data from their suppliers and gives them a robust, in-depth, and accessible assessment of their near-term and longer-term financial health, which they can easily share with stakeholders across the company.

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The Results

With RapidRatings, the NDA can readily identify their suppliers' commercial and operational risk profile, enabling them to achieve measurable results including:

- Launching 27% more total ratings from 2020-2022
- Boosting their suppliers' average FHR by 5% from 2020 to 2021, which was a ***critical dataset for the NDA to monitor throughout the pandemic***
- Creating a ***proactive financial health strategy*** by learning about longer-term supplier vulnerabilities sooner, rather than relying on other vendors' data
- The Financial Dialogue Report ***increased supplier collaboration and enabled confident discussions*** by translating the financial analysis into language that everyone, even those without a financial background, could easily interpret and use immediately



"Monitoring supply chain risk is becoming more important, especially as inflation drives up the direct costs for every stage of manufacturing and distribution. RapidRatings' Financial Dialogue Report is particularly useful as it provides our team important areas to focus on, which saves us time and helps us **engage in more effective discussions with suppliers."**



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