



Credit Manager Confidence Survey Shows a Dim Forecast for 2012

New York, NY - October 28, 2011 - Smyyth Credit Services, a leader in business credit risk and accounts receivable services, together with the Federation of Credit and Financial Professionals, Inc., has completed its Q3 survey of corporate credit managers' evaluations of the current business climate and forecast for 2012.

While it may be true that "prediction is very difficult, especially about the future" ([Neils Bohr](#)), corporate credit managers are uniquely positioned to see business trends, as their dealings are multi-dimensional including a view of their company, industry and customers.

The survey targets trade credit managers, as their role is unique in that their industry and customer interactions provide a wide view of the economy, with the trade credit life cycle generally in the 3-12 month time frame. The credit manager is often the one who occupies the "best seat in the house", as it relates to watching economic developments play out.

Irrespective of the modest 2.5% Q3 GDP growth reported this week, our survey shows that the sentiment at the end of Q3 is more negative than nine months prior in January 2011.

The results provide a sobering glimpse of how businesses perceive the near future. The less than optimistic sentiment is a manifestation of an age-old reality. That is, "business hates uncertainty".

This Year - 2011

For 2011, "on a scale of 1-10, with 10 the best possible, how do you rate business conditions in your industry, and in the US as a whole."

Period	Industry/Company	US Economy
January 2011	5.5	4.6
October 2011	5.3	4.2

Next Year - 2012

For 2012, what is your judgment based on what you see now? (Twice as many respondents indicated they expect conditions to worsen for 2012 than those who expected improvement)

Better	17.8%
Worse	33.5%
Same	48.6%

The pessimistic view of credit managers towards the next 15 months is interesting contrasted with the [Bernard Sands](#) analysis of trade payment promptness, which reached a recent era high of PQI 81 in September, which demonstrate continued caution and deleveraging on the part of small business, but also provides a store of dry powder when business psychology moves into positive territory. [Find out more.](#)

If this caution is the new normal for business, the US economy could be flat-lined for some time.

About Smyyth

Founded in 1906, Smyyth provides state of-the-art Order-to-Cash Services, Technology and Credit Risk Mitigation. This includes credit

management systems, information, scoring, and credit insurance; accounts receivable management and collection services. Six Sigma principles and SAS 70 Certified. Bernard Sands LLC, a Smyyth affiliate, since 1925 is a leading credit ratings agency with a specialty in consumer goods and retail industries.

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