# HOW BELUX CFOs ENSURE CASH FLOW AND GROWTH IN A RISKIER WORLD

KEEPING YOUR WORLD **OPEN.**

# EDITORIAL

Geopolitical tensions, fragmentation of value chains, volatile energy prices, declining demand... Belgian and Luxembourgish companies are operating in an environment where traditional credit risk indicators are becoming less relevant and the conditions for growth are being redefined.

**In this context, Belgium appears particularly vulnerable. Its open economy, dependence on exports, central logistical role in Europe, and the presence of industrial sectors that are highly integrated into international trade make Belgian companies sensitive to external disruptions, even those originating far away. This trend is clearly reflected in Coface's exclusive survey of 40 Belgian companies: 85% report already feeling the impact of the geopolitical situation on their business activities. In addition, nearly 70% observe a deterioration in credit risk within their sector.**

**However, this study also reveals something else: companies are not standing still. They are strengthening their monitoring systems, relying more heavily on external data, and striving to strike a more nuanced balance between safeguarding liquidity and maintaining growth. One question now plays a central role in every finance department: how can we continue to grow without creating new vulnerabilities?**

To answer this question, this white paper brings together three perspectives, which can be explored in detail via a QR code on the last page: that of a credit insurer, a geopolitical expert, and a Belgian risk manager who deals daily with operational realities. Their conclusions align: uncertainty is no longer an exception but a permanent feature of financial decision-making.



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**Hans Diels**
Geopolitics and Futurology Expert — Etion

**Didier Vandenbergh**
Underwriting Director, Coface Belgium

**Jeremy Keleman**
Managing Director, Finsiders

**Carl Leeman**
Chief Risk Officer — Katoen Natie Member of Belrim


# CREDIT RISK IS CHANGING IN NATURE

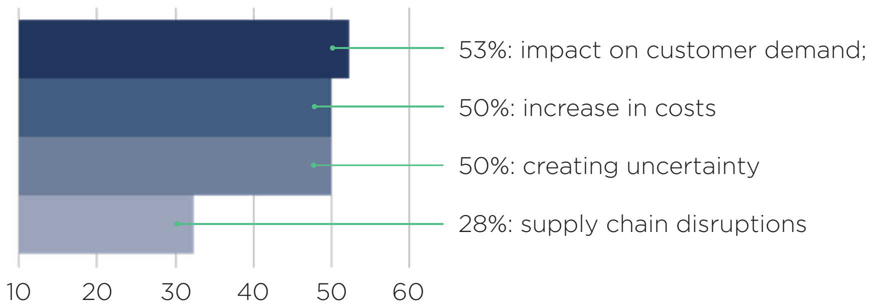
**For a long time, credit risk analysis was based on a customer's financial strength: balance sheet, solvency, and payment history. These criteria remain essential, but they are no longer sufficient to understand a company's vulnerability.**

The study highlights that Belgian CFOs are facing a more systemic type of risk, where geopolitics, supply chains, and energy-related factors directly affect credit quality. More than half of companies are already experiencing the impact of these external shocks on customer demand, while half of respondents simultaneously report rising costs and increased uncertainty.

The issue therefore goes far beyond the simple customer-supplier relationship. In an open economy such as Belgium's, a sector slowdown, trade tensions, or logistical disruptions can quickly trigger a domino effect.

**For finance departments, the challenge is no longer only to measure individual risks. It is now about understanding how external shocks can spread throughout the entire value chain.**

**"How does the geopolitical situation affect..." your company?**




**"Globalization still allows us to sell our products all over the world. But the reverse is equally true: when a disruption occurs somewhere in the chain, the consequences for the entire ecosystem can be extremely significant."**

**— Didier Vandenbergh, Underwriting Director, Coface Belgium**



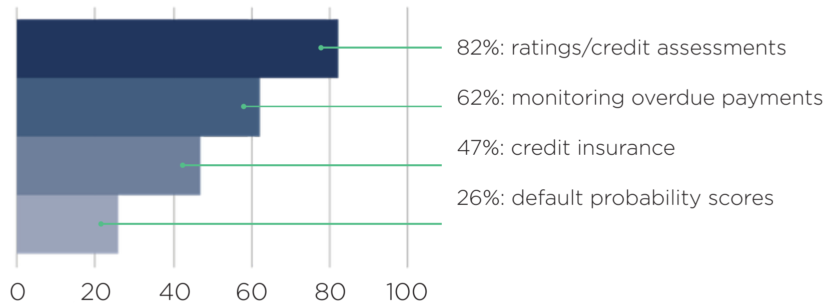


# Awareness is evolving faster than practices

Faced with a more unstable environment, Belgian companies are strengthening their risk monitoring systems. External data, credit scores, and monitoring tools are increasingly being used by finance departments. Today, 82% of respondents use external credit ratings or advice. More than 60% monitor overdue payments.

This increased vigilance reflects a genuine awareness of risk. However, the study also reveals a persistent gap between monitoring and the ability to take action: half of companies review their credit policy only once a year or even less frequently. And only 24% are currently considering investing in new credit risk management tools or processes.

**"Which tools do you use to manage credit risk?"**




**In other words, companies are monitoring risks more effectively, but they do not always translate this information into operational decisions or a stronger governance model.**

This limitation becomes critical in an environment where disruptions spread from one party to another. Monitoring a risk is no longer enough if the organization cannot respond quickly.

**"If monitoring only means following the news or keeping an eye on indicators, that is not enough. Monitoring should start earlier, with concrete scenarios and action plans already prepared in the event that early warning signals emerge."**

**— Hans Diels, geopolitics and futurism expert**

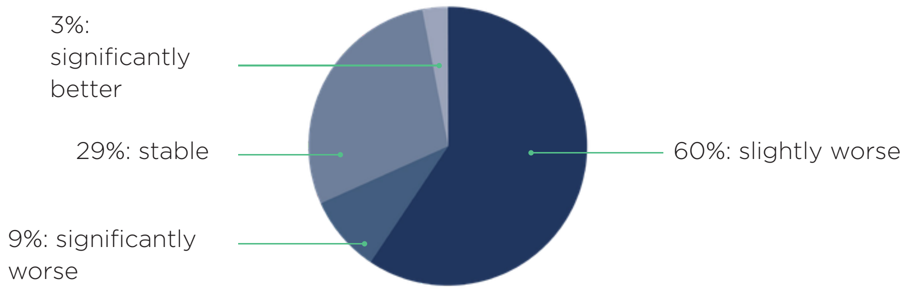
# “CASH IS KING”: THE NEW LIQUIDITY REALITY

In an environment characterized by weak demand, inflation, and longer payment terms, liquidity is more important than ever for businesses.

**This pressure translates into increasingly difficult trade-offs for finance departments. On the one hand, they must preserve cash and strengthen safety buffers; on the other hand, the company must continue investing, financing growth, and maintaining business relationships. As a result, pressure on working capital requirements is gradually increasing. Requests for longer payment terms are becoming more common, even in sectors that were considered robust just a few years ago. Caution is therefore becoming a necessity, but it can also carry an opportunity cost: that of a more defensive economic climate in which companies postpone investments and reduce commercial initiatives.**

**Cash remains an essential line of defense, although it is not sufficient by itself to protect a business from broader systemic shocks.**

### "How has credit risk evolved in your sector?"




/ **“Today, we see companies demanding payment terms of 90 or 120 days in sectors where this was previously almost unthinkable. But we are a logistics company, not a bank. Ultimately, these tensions inevitably ripple throughout the entire chain.”**

**— Carl Leeman, Chief Risk Officer, Katoen Natie**





# WEAK SIGNALS BECOME VALUABLE INSIGHTS

/ **“Many companies mainly see what they want to see. When you have a long-standing partner or a strong local relationship, you tend to ignore warning signs. Yet today, domino effects spread much faster through the entire economic chain.”**

**— Hans Diels, geopolitics and futurism expert**

Repeated requests for payment extensions, unusual invoice disputes, sudden silence from a partner... On their own, these elements may seem harmless. However, in a volatile environment, critical deterioration often begins with subtle warning signals. These signals become crucial when they form part of a broader dynamic of liquidity problems or a sector slowdown, as is currently the case. This is especially true because a weakened company can, in turn, weaken its suppliers, partners, and subcontractors.

**These weak signals should therefore be regarded as valuable management indicators and integrated into monitoring processes. For CFOs, the challenge is both organizational and analytical: bringing actionable information to light more quickly and avoiding blind spots in risk assessment. They must also remain alert to cognitive biases: a long-standing business relationship or positive past experiences can lead to an underestimation of the risks associated with late payments spreading throughout the value chain...**

### 5 weak signals to monitor closely

1 / Increased requests for payment extensions

2 / Disputes over unusual invoices

3 / Sudden silence from a customer or supplier

4 / Rapid inventory build-up

5 / Layoff plans or reduced business activity

## FROM MONITORING TO ANTI-FRAGILITY

“The most resilient organizations are not those that predict crises perfectly, but those that are able to make decisions and act quickly when a shock occurs,” says Carl Leeman, Chief Risk Officer at Katoen Natie. The real challenge lies in your ability to anticipate and act.

This means moving beyond simple monitoring by developing scenarios, clarifying decision-making responsibilities, and preparing contingency plans that can be activated quickly.

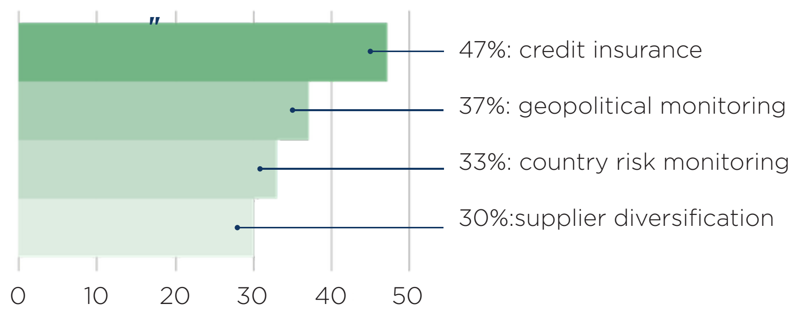
This approach also requires distinguishing between temporary turbulence and lasting transformations: some tensions may disappear quickly, while others permanently alter the balance and require structural adjustments.

**In this context, risk management is gradually evolving into an organization-wide capability involving finance, operations, procurement, supply chain, and senior management. The speed of information flow and the clarity of decision-making processes then become factors that contribute both to competitiveness and protection.**

> **“Monitoring focuses on the present, whereas the objective should be to look toward the future. Above all, it is essential to know who makes decisions, when, and how, to prevent an organization from wasting precious time when a crisis occurs.”**
>
> **— Carl Leeman, Chief Risk Officer, Katoen Natie**

**"How do you manage this/how do you mitigate the risks?"**

**Geopolitical risks?**






## 6 BEST PRACTICES FOR CFOs TO STRENGTHEN RESILIENCE

**By Jeremy Keleman, Managing Director at Finsiders**

### 1 / Truly diversify your dependencies

Avoid excessive concentrations of suppliers, markets, or geographic regions.

### 2 / Monitor weak external signals

Detect early signs of cash pressure, payment delays, or disruptions within the sector.

### 3 / Review credit policies more frequently

Adapt decision-making rules to an environment that has become increasingly volatile.

### 4 / Develop realistic crisis scenarios

Clarify responsibilities and prepare rapid operational responses

### 5 / Accelerate the flow of information

Quickly escalate critical alerts between finance, operations, and management.

### 6 / Integrate risk considerations early in decision-making

Make risk a strategic decision-making tool rather than merely a control mechanism.

> **“If monitoring only means following the news or keeping an eye on indicators, that is not enough. Monitoring should start earlier, with concrete scenarios and action plans already prepared in the event that early warning signals emerge.”**
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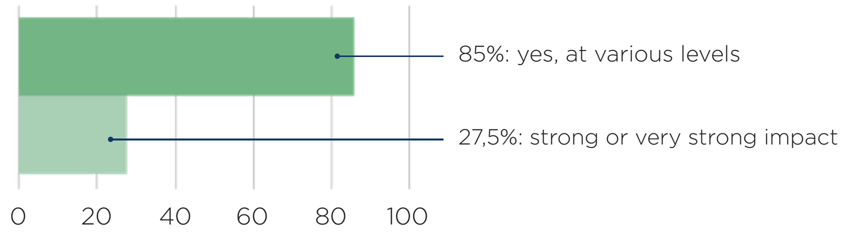
> **— Hans Diels, geopolitics and futurism expert**

# COUNTRY RISK IS DOMESTIC RISK

### "Does the geopolitical situation affect your business?"




For a long time, country risk mainly concerned companies with international operations or exposure to unstable regions. That boundary has now become much less clear, and geopolitical tensions are having direct consequences for local businesses, particularly in Belgium's open economy.

These developments are not merely isolated incidents of turbulence but structural transformations: our experts confirm the fragmentation of the global economy. Trade remains global, but the logic of sovereignty, strategic dependency, and geopolitical blocs is playing an increasingly important role, as illustrated by the gradual deterioration of relations between the United States and China.

For CFOs, geopolitical risk is therefore becoming a much more tangible and operational issue: securing suppliers, managing industrial dependencies, limiting exposure to energy fluctuations, and ensuring regulatory stability. The question is no longer, "Where do we sell?" but rather, "What does our business depend on?"

**"The deterioration of relations between China and the United States now appears to be a long-term transformation rather than temporary turbulence. Companies must take this development into account in their strategic decisions."**

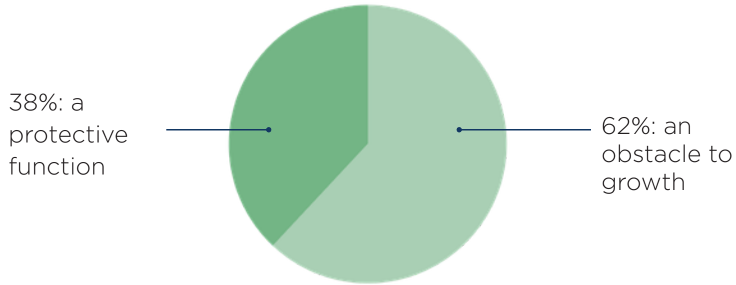
**— Didier Vandenbergh, Underwriting Director, Coface Belgium**





# TURNING RISK INTO A GROWTH DRIVER

### "How are risk-taking teams perceived?"




Many people still view risk management functions as structures focused on protection or loss prevention within companies. However, this approach is now reaching its limits.

The survey results reveal a paradox: although these functions are essential for making sound strategic decisions, 62% of respondents see risk teams as a potential obstacle to growth. This may be because risk teams are still not sufficiently integrated into the decision-making process. Only 24% of respondents report being directly involved during the decision-making phase.

However, risk can no longer be viewed solely as a control function applied after the fact. It must contribute to supporting decisions related to growth, investment, or diversification. This evolution also implies a cultural shift: moving from a "no, out of caution" approach to a "yes, with an appropriate level of control" approach.

**"Risk teams should act as a barrier at the top of the mountain, not an ambulance at the bottom of the ravine. They should actively participate in and contribute to decision-making and growth processes. The earlier they are involved in the decision-making process, the more tangible their impact becomes."**

**— Alexandre Lacreu, Country Manager, Coface Belgium**

## KEY TAKEAWAYS

1 / Volatility is becoming structural

2 / Credit risk now extends beyond financial statements alone

3 / Weak signals are becoming strategic assets

4 / Monitoring must lead to actionable outcomes

5 / Risk can become a lever for controlled growth

To discuss credit risk and financial resilience challenges with a Coface expert:

Alexandre Lacreu
Country Manager, Coface Belgium

alexandre.lacreu@coface.com

You can explore our study in detail and consult the analysis provided by our experts.