# The D&B Viability Rating™

*Quick Guide*

**D&B**

The D&B Viability Rating is a new evaluation tool that offers a comprehensive assessment of whether or not to do business with a company. Only the D&B Viability Rating combines the most comprehensive measures of risk to deliver a highly reliable rating analyzing the current and future health of a business.

## 5 Viability Score
*based on a scale of 1-9 (1=best, 9=worst)*

Assesses the probability that a company will no longer be in business, within the next twelve months, compared to all US businesses within the D&B database.

- Voluntary or involuntary going out of business
- Becoming dormant or inactive
- Filing for bankruptcy

### Viability Score Projected Performance Table

| VIABILITY SCORE | PERCENT OF TOTAL | OUT OF BUSINESS (BAD) RATE | CUMULATIVE PERCENT OF TOTAL | CUMULATIVE PERCENT OF BADS CAPTURED | CUMULATIVE OUT OF BUSINESS (BAD) RATE |
|---|---|---|---|---|---|
| 9 | 1% | 65% | 1% | 3% | 65% |
| 8 | 8% | 42% | 8% | 27% | 44% |
| 7 | 14% | 27% | 23% | 55% | 33% |
| 6 | 30% | 13% | 53% | 83% | 21% |
| 5 | 14% | 7% | 67% | 91% | 18% |
| 4 | 14% | 5% | 81% | 96% | 16% |
| 3 | 15% | 3% | 96% | 100% | 14% |
| 2 | 4% | 2% | 100% | 100% | 14% |
| 1 | 0.3% | 0.2% | 100% | 100% | 14% |

## 8 Portfolio Comparison
*based on a scale of 1-9 (1=best, 9=worst)*

Assesses the viability of a company, compared to similar businesses, within the same model segment. The type of data used to classify these segments is:

- Available financial data
- Limited trade payments
- Established trade payments
- Firmographics and business activity

### The difference between the Viability Score and Portfolio Comparison?

**Viability Score** assesses the probability that a company will no longer be in business within the next 12 months, compared to all U.S. businesses within the D&B database. Best used when ranking all businesses within your portfolio.

**Portfolio Comparison** refines the viability assessment of a company, comparing it only to businesses assigned a similar D&B "model segment" classification, which is determined by the amount and type of data available. Here, businesses are only ranked along with other businesses that provide financials, have 3+ trades, have 1 or 2 trades, or have no trades.

### Model Segment: Available Financial Statement Data

| PORTFOLIO COMPARISON | PERCENT OF TOTAL | OUT OF BUSINESS (BAD) RATE | CUMULATIVE PERCENT OF TOTAL | CUMULATIVE PERCENT OF BADS CAPTURED | CUMULATIVE OUT OF BUSINESS (BAD) RATE |
|---|---|---|---|---|---|
| 9 | 2% | 7% | 2% | 28% | 7% |
| 8 | 4% | 2% | 6% | 43% | 4% |
| 7 | 10% | 1% | 16% | 61% | 2% |
| 6 | 8% | 1% | 24% | 70% | 2% |
| 5 | 11% | 0.5% | 36% | 79% | 1% |
| 4 | 13% | 0.3% | 49% | 86% | 1% |
| 3 | 15% | 0.2% | 64% | 92% | 0.8% |
| 2 | 14% | 0.2% | 77% | 96% | 0.7% |
| 1 | 23% | 0.1% | 100% | 100% | 0.6% |

### Model Segment: Limited Trade Payments

| PORTFOLIO COMPARISON | PERCENT OF TOTAL | OUT OF BUSINESS (BAD) RATE | CUMULATIVE PERCENT OF TOTAL | CUMULATIVE PERCENT OF BADS CAPTURED | CUMULATIVE OUT OF BUSINESS (BAD) RATE |
|---|---|---|---|---|---|
| 9 | 1% | 45% | 1% | 5% | 45% |
| 8 | 15% | 17% | 17% | 29% | 19% |
| 7 | 2% | 14% | 19% | 32% | 19% |
| 6 | 25% | 13% | 43% | 60% | 15% |
| 5 | 15% | 10% | 59% | 74% | 14% |
| 4 | 11% | 9% | 70% | 83% | 13% |
| 3 | 11% | 7% | 81% | 91% | 12% |
| 2 | 12% | 6% | 93% | 97% | 11% |
| 1 | 7% | 4% | 100% | 100% | 11% |

### Model Segment: Established Trade Payments

| PORTFOLIO COMPARISON | PERCENT OF TOTAL | OUT OF BUSINESS (BAD) RATE | CUMULATIVE PERCENT OF TOTAL | CUMULATIVE PERCENT OF BADS CAPTURED | CUMULATIVE OUT OF BUSINESS (BAD) RATE |
|---|---|---|---|---|---|
| 9 | 3% | 23% | 3% | 13% | 23% |
| 8 | 13% | 11% | 16% | 37% | 13% |
| 7 | 14% | 7% | 30% | 56% | 10% |
| 6 | 9% | 5% | 39% | 65% | 9% |
| 5 | 11% | 5% | 50% | 74% | 8% |
| 4 | 11% | 4% | 62% | 82% | 7% |
| 3 | 11% | 3% | 73% | 89% | 7% |
| 2 | 16% | 3% | 89% | 97% | 6% |
| 1 | 11% | 2% | 100% | 100% | 5% |

### Model Segment: No Trade Payments Available

| PORTFOLIO COMPARISON | PERCENT OF TOTAL | OUT OF BUSINESS (BAD) RATE | CUMULATIVE PERCENT OF TOTAL | CUMULATIVE PERCENT OF BADS CAPTURED | CUMULATIVE OUT OF BUSINESS (BAD) RATE |
|---|---|---|---|---|---|
| 9 | 3% | 58% | 3% | 10% | 58% |
| 8 | 12% | 36% | 15% | 39% | 40% |
| 7 | 9% | 23% | 25% | 53% | 33% |
| 6 | 12% | 18% | 37% | 67% | 28% |
| 5 | 13% | 13% | 50% | 78% | 24% |
| 4 | 17% | 10% | 67% | 89% | 20% |
| 3 | 11% | 7% | 79% | 94% | 19% |
| 2 | 14% | 5% | 92% | 98% | 17% |
| 1 | 8% | 3% | 100% | 100% | 16% |

**How to Read the Tables**

**Viability Score:** Ranges from 1 to 9, with 1 representing least likelihood and 9 representing highest likelihood of going out of business.

**Percent of Total:** The percent of U.S. businesses within D&B database that have a specific Viability Score.

**Out of Business (Bad) Rate:** The percent of U.S. businesses expected to go bad over next 12 months.

**Cumulative Percent of Total:** The cumulative percent of U.S. businesses within the D&B database that fall within a Viability Score range. For example, 23% of U.S. businesses have a Viability Score of 7-9.

**Cumulative Percent of Bads Captured:** The cumulative percent of bads captured within the score range. For example, 55% of all businesses that go bad have a Viability Score of 7-9.

**Cumulative Out of Business (Bad) Rate:** The cumulative bad rate within a score range. For example, across all score ranges 1-9, 14% of all businesses are projected to go bad. Across score ranges 7-9, 33% of all businesses are projected to go bad.

## Data Depth Indicator Detailed Table

**C**

**Data Depth Indicator**
*based on a scale of A-M*

Represents the level of predictive data available for a company. This indicator is based on a scale from **A – G**, where A indicates the greatest level of predictive data, such as financial statements, and G reflects a minimal level of data, such as firmographics only. **Special categories H-M** are assigned to businesses with special risk circumstances such as bankruptcy, business deterioration, severe risk and others.

- Commercial trading activity
- Financial attributes
- Firmograpic data

| DATA DEPTH | DESCRIPTION | LEVEL OF INSIGHT | |
|---|---|---|---|
| A | Rich firmographics, extensive commercial trading activity, and **comprehensive** financial attributes | Robust Predictions | Predictive → Descriptive |
| B | Rich firmographics, extensive commercial trading activity, and/or **basic** financial attributes | Robust Predictions | |
| C | Rich firmographics, extensive commercial trading activity, and **no** financial attributes | Decision Support | |
| D | Rich firmographics, **partial** commercial trading activity, and **no** financial attributes | Directional | |
| E | Rich firmographics, **sparse** commercial trading activity, and **no** financial attributes | Directional | |
| F | **Basic** firmographics, **trace** commercial trading activity, and **no** financial attributes | Basic | |
| G | **Basic** firmographics, and **no trade** or financial attributes | Basic | |
| H | Out of business | | |
| I | Unable to comfirm | | |
| j | Bankruptcy | | |
| K | High-risk - Severe risk | | |
| L | Self-reported DUNS Support Record | | |
| M | Business deterioriation –Severe Risk | | |

**J**

**Company Profile**
*based on a scale of A-Z*

Examines how established a company is based on a combination of categories including financial data, trade payments, and demographics on the different categories within the profile include:

- Financial data
- Trade payments
- Years in business
- Company size (number of employees or sales)
- Firmographic Data

| | | | | |
|---|---|---|---|---|
| A | Financials, large, established | N | 1-2 Trade, large, young |
| B | Financials, large, young | O | 1-2 Trade, medium, established |
| C | Financials, medium, established | P | 1-2 Trade, medium, young |
| D | Financials, medium, young | Q | 1-2 Trade, small, established |
| E | Financials, small, established | R | 1-2 Trade, small, young |
| F | Financials, small, young | S | No Trade, large, established |
| G | 3+ Trade, large, established | T | No Trade, large, young |
| H | 3+ Trade,  large, young | U | No Trade, medium, established |
| I | 3+ Trade, medium, established | V | No Trade, medium, young |
| j | 3+ Trade, medium, young | W | No Trade, small, established |
| K | 3+ Trade, small, established | X | No Trade, small, young |
| L | 3+ Trade, small, young | Y | Branch |
| M | 1-2 Trade, large, established | Z | Subsidiary |