

## **Financial Stability**

### **An Essential Requirement for SAPCA Membership**

SAPCA has always included financial strength as one of the most important criteria for membership, and routinely checks all companies as part of the application procedure, but over recent years the Association has strengthened its requirements.

In order to ensure that the assessment of any company's financial stability is robust and impartial, SAPCA works closely with credit reference specialist Experian, and bases its membership requirements on the Commercial Delphi Scoring System used by Experian within its Risk Reports. The scoring system has been developed by Experian to assess all UK companies, by analysing a multitude of factors and financial data, weighted according to different business sectors. Each individual company's Commercial Delphi score (between 0 and 100) represents Experian's forecast of the likelihood that the business will fail within the next twelve months.

SAPCA demands that all contractor and manufacturer applicants must have a minimum Commercial Delphi score of 40 out of 100, which effectively means that, as a starting point, applicants must be in the top 70% of UK businesses for financial stability. But as well as applying this requirement as a prerequisite for admission, SAPCA also monitors the financial stability of its members on an annual basis and insists that all contractors and manufacturers must comply with its current requirements for financial stability in order to renew their SAPCA membership at the start of each new membership year in January.

There are, of course, never any cast-iron guarantees about the future financial performance of any company, large or small, as has been seen during the recent economic recession, and a company's financial situation can sometimes change quickly. When developing sports and play facility projects and assessing the relative merits of any prospective companies they may wish to employ, clients should always satisfy themselves that any firm under consideration can demonstrate adequate financial strength. SAPCA's Quality Assurance system can certainly be used as a valuable starting point, knowing that contractors and suppliers included within the SAPCA membership database have met the standards set by the Association.