



**Supplier Survey**  
**5 year review**  
Exploring supplier behavior since 2018

Foreword	03
----------	----

---

Key findings	04
--------------	----

---

Methodology	06
-------------	----

---

Supplier payment trends	08
-------------------------	----

1	Interest in and understanding of early payments is growing	09
2	Suppliers are becoming more empowered when it comes to early payments	10
3	The rise of automation	11
4	Suppliers require flexibility in order to manage their cash flow	12

---

The next five years	13
---------------------	----

---

# Foreword

Over recent years, our world has changed dramatically and unexpectedly in a variety of ways. While we continue to face challenges, now seems like an excellent time in which to look back, take stock, and then turn to see what the future may have in store for Taulia and the businesses we work with.

Taulia's annual Supplier Survey has been a mainstay of the past five years, as we seek to understand the reasons and ways in which businesses make use of our network. Each year, we ask businesses how they feel about early payments, working capital challenges, and their experiences using Taulia's solutions.

This report shares insights on the ways that organizations on the Taulia network have adapted and changed their behavior over the last five years. It draws on previous Supplier Survey data to understand what has changed and understand what we can expect to see next.

We have seen businesses make increasing use of early payments programs. This may in part be the consequence of the development we have seen in the awareness and understanding of early payments and their potential. The greater understanding and increased use of early payments has led to much improved supplier happiness and satisfaction among customers on the Taulia network.

Looking to the future, we foresee further improvement in supply chain health as more businesses make use of early payments. As well as wider understanding and use of other styles of working capital management, across payables, receivables and inventory.

I would also like to take this opportunity to thank each and every respondent to the Supplier Survey. We at Taulia very much appreciate their engagement. Their feedback gives us great insight to continue improving our ability to serve our customers. Thank you!

**Cedric Bru**  
CEO | Taulia



# Key findings



The platform is genius. There is never a question as to where my invoices stand, submitted, pending, approved, rejected. Could not be happier with this platform.

**Aline LaBar**

SNEI California, Inc. | Supplier survey 2021

# 79,918

survey responses over 5 years  
have revealed...

## 47%



increase in interest in being paid early every time  
**15%** in 2018 **↑ 22%** by 2022

## 33%



decrease in respondents rarely or never using  
early payment **60%** in 2018 **↓ 40%** by 2022

## 20%



decrease in payments being made late  
**45%** in 2018 **↓ 36%** by 2022



## What does this mean?

Over the past five years, suppliers have become more interested in being paid early. This is the consequence of suppliers being more educated about their financing options and knowing that the market has more instruments available to them than just traditional bank loans and overdrafts. However, this is not a one-way street. Buyers are likewise becoming more engaged regarding early payments.

This is related to the potential growth and recognition of ESG and the importance of supporting small but strategic suppliers along the supply chain. Taulia's recent survey into the effects of COVID-19 on supplier behavior demonstrated that many businesses were considering early payments during the pandemic, especially smaller and more vulnerable companies, with 62% of respondents interested in being paid early.



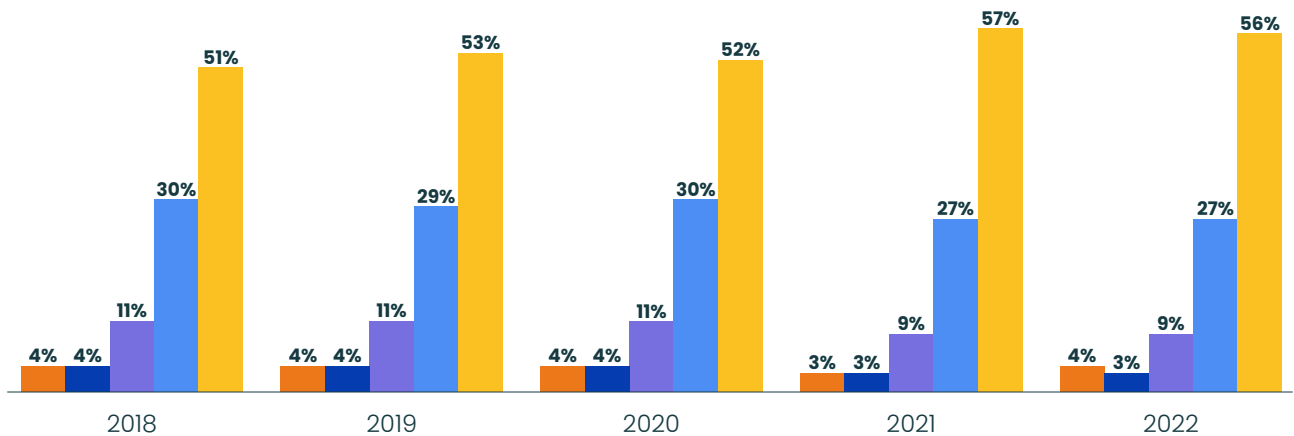
# Methodology

Taulia holds an annual Supplier Survey each year, with reports published the following year. During the past five Surveys, 79,918 responses have been collected.

In order to fairly compare the past five years, we focused on the questions presented in each edition of the Supplier Survey. These were the frequency of early and late payments, how early payments are used, and why.

Due to varying numbers of respondents each year, the answers to each question are broken down by percentage so as to more easily compare and contrast year on year.

## Size of companies (by annual revenue)



>\$5B in revenue



\$1B-\$5B in revenue



\$100M-\$1B in revenue



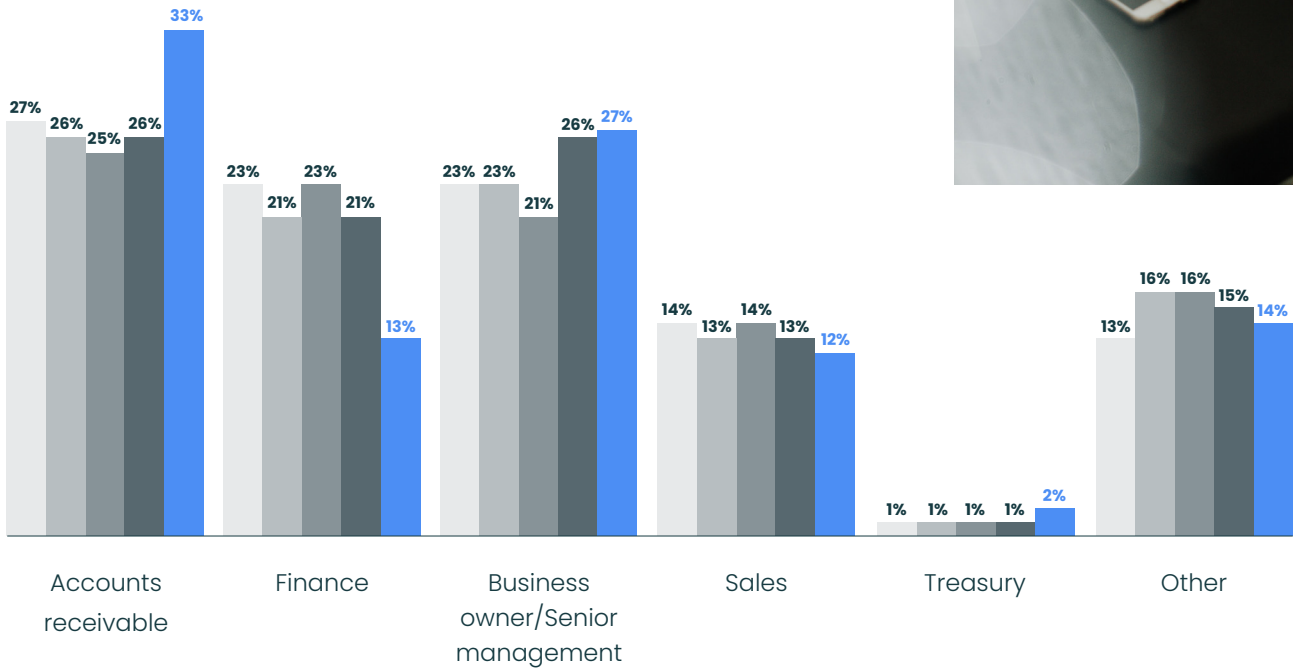
\$10M-\$100M in revenue



<\$10M in revenue

## Supplier demographics by role...

2018 2019 2020 2021 2022



## Top 5 location of companies

	2018	2019	2020	2021	2022
United States	67%	69%	66%	62%	57%
Canada	9%	8%	8%	8%	8%
United Kingdom	5%	5%	6%	4%	6%
South Africa	2%	2%	4%	3%	3%
India	1%	1%	2%	2%	3%

# Supply payment trends



In view of the current global pandemic situation, invoice submission via Taulia has helped my organization to maintain social distancing and keep our personnel safe.

**Nsidibe Inyang**

Nymagx Energy Services Limited | Supplier Survey 2021



# 1

## Interest in and understanding of early payments is growing



### What we found

Since 2018, the number of businesses that take monthly early payments has doubled, with a steady decrease for those that rarely or never do.



### Question:

#### How frequently do you take early payments?

	2018	2019	2020	2021	2022
Monthly	19%	24%	27%	35%	38%
Rarely	26%	26%	26%	20%	18%
Never	34%	26%	26%	22%	22%

### What does this mean?

Over the past 5 years, businesses have increasingly taken early payments, while their frequency has also risen. We recognize that this is in part due to increased understanding of early payments as a tool to improve cash flow management.

#### For suppliers...

Suppliers have developed an increasing readiness to request frequent payments, which can aid cash flow gaps. Suppliers seem to like the certainty of being able to control their Days Sales Outstanding and manage their working capital.

#### For buyers...

Buyers are more frequently recognising their importance in supporting the supply chain. Good corporate behavior is to pay one's suppliers faster and the emergence of new technologies is allowing that to happen.



### Future view...

We foresee interest in early payments growing in line with the development we have seen. This will in part be due to past supply chain volatility leading to a growing recognition of cash flow solutions.

## 2

# Suppliers are becoming more empowered when it comes to early payments



### What we found

There has been a steady increase in suppliers willing to take a discount on payments in exchange for being paid early every time.



### Question:

**Are you interested in being paid as soon as an invoice is approved instead of waiting for the net due date in exchange for a small discount on the invoice's value?**

	2018	2019	2020	2021	2022
Every time for every customer	15%	19%	12%	22%	22%
Most of the time	17%	17%	14%	16%	16%
Some of the time	29%	26%	30%	19%	17%
Never	30%	27%	33%	36%	37%
I don't know	8%	11%	11%	7%	7%

### What does this mean?

#### For suppliers...

The increase in the number of suppliers wanting to be paid early every time suggests an increased recognition of the potential benefits; improved chance of survival during economic fluctuations, increased stability, and growth.

#### For buyers...

A willingness to support one's suppliers, whether they prefer to be paid early or not, is a good long-term strategy for maintaining relationships. Providing an early payment option leads to increased trust, makes a business more attractive to work with, and can lead to a position of priority in challenging circumstances.

### Future view...



Being able to offer early payments is not only a way for a business to maintain good relationships with its suppliers, but as a means of sweetening the deal for potential new negotiations. Whether the supplier prefers to take the option or not, buyers will increasingly provide an early payment option for their suppliers.

## 3 Rise of the automation



### What we found

We have seen a steady rise in early payments. And while late payments have, on the whole, decreased, there has been a marked uptick in significantly late payments over the past two years.



### Question:

#### When do your customers make their payments?

	2018	2019	2020	2021	2022
Early	2%	3%	3%	8%	7%
On time	52%	53%	54%	50%	49%
1-15 days late	24%	20%	19%	11%	12%
15-30 days late	11%	10%	10%	7%	8%
30-45 days late	7%	6%	6%	9%	9%
>45 days late	3%	3%	3%	7%	7%
I don't know	2%	5%	5%	8%	8%

### Future view...



Overall, late payments have fallen. However, significantly late payments have risen alongside the financial pressures of the pandemic and subsequent recovery period. Access to available liquidity has been a necessity for so many businesses during this time, and we anticipate these late payments will fall as we move further into COVID recovery.

### What does this mean?

#### For suppliers...

The general trend is that late payments are decreasing – which has enormous bearing on the health of suppliers. Faster payments result in a lesser need for loans, a potential for greater cash reserves, and the opportunity to invest time in growth rather than chasing payments.

#### For buyers...

With the increase in early payments, we can see automation is being embraced. Manual processes are time-consuming and potentially error-strewn, while automation allows for faster payments – beneficial to all.

# 4

## Suppliers require flexibility in order to manage their cash flow



### What we found

The reasons suppliers have given for taking early payment have remained relatively similar. Availability, certainty and flexibility remain key.



### Question:

#### What are your reasons for taking early payments?

Note: Respondents to this question were offered the choice of multiple answers, hence the +100% totals. This data also excludes the response 'I do not take early payments'.

	2018	2019	2020	2021	2022
Cash flow gap	48%	47%	52%	49%	49%
Working Capital need	22%	23%	24%	22%	21%
Collections/payment predictability	28%	28%	31%	28%	27%
Seasonal cash targets	7%	7%	8%	7%	6%
Cash based accounting	6%	6%	6%	6%	5%
Reduce DSO	9%	7%	7%	7%	7%
Favorable rates	6%	5%	5%	5%	4%
Ease of use	20%	14%	17%	19%	18%
Other	6%	7%	5%	7%	8%
<b>Total</b>	<b>152%</b>	<b>144%</b>	<b>155%</b>	<b>150%</b>	<b>146%</b>

### What does this mean?

#### For buyers and suppliers...

The reasons for having an early payment program are varied and numerous. For suppliers, the certainty and availability of early payments is vital, yet for all parties, flexibility is also of great importance. While responses over the years have remained stable, adaptability allows for continued cash flow, even in the most unexpected of circumstances.

#### Future view...



Taulia's solutions support the flexibility and dependability needed by both parties and we envision offering continued support over the coming years.

# Predictions for the next five years



Since our customer has switched to Taulia, we rarely have issues with payments.

**Krystyna Olsiewicz**

Par Code Symbology Inc. | Supplier Survey 2021



Over the past five years, we have seen early payments grow as a tool and as a way for buyer/seller relationships to become less volatile and easier to maintain. This has in part been motivated by an improved understanding of the potential of early payments, leading to increased interest.

We predict further increases in the education surrounding early payments; the benefits and the possibility.

Making early payments manually can be a headache. The automation of these processes has led to far greater opportunities regarding early payments. We predict that as automation becomes more commonplace, businesses will have more time and resources available to use for a further focus on growth.

If the events of the past five years have proven anything, it is that businesses should be prepared for a wide range of eventualities. Companies will need to remain flexible and adaptable in the event of a cash flow gap or supply chain disruption. The availability of liquidity will continue to remain of the utmost importance.

We predict that there will be increased focus on agility regarding payments - those who are unable to adapt are at risk of being left behind.

Taulia is proud to have helped so many companies make it through the global pandemic, and we'll continue to offer the support of our platform, our services and our people to every business in our growing global network.



© 2022 Taulia LLC. All rights reserved. This Publication has been prepared for general guidance on the matters addressed herein. It does not constitute professional advice.

[taulia.com](https://taulia.com)