



Supplier survey **2021**

Taulia's annual survey into supplier behavior

Introduction

Every year since 2016, Taulia's annual supplier survey has gathered data from the ever-growing number of companies who are using our platform to automate their accounts receivables processes and release cash through our early payment solutions.

In November 2020, we received responses from more than 12,000 businesses of every size, from SMEs to global enterprises, all of them connected to the Taulia network.

And for the 5th year running, I would like to take this opportunity to thank all the suppliers who took the time to complete this survey, which continues to be a great source of insight and knowledge.

What their answers reveal is a resilient community of suppliers who are increasingly using our technology to accelerate receivables, bringing in much-needed working capital to help ride out the current crisis.

While the global pandemic is beginning to ease, we are starting to see other challenges come to the fore, including disrupted supply chains, issues around late payments and ESG concerns.

At Taulia, we're proud to provide the platform that has helped so many businesses during this exceptionally difficult time. As the world moves toward recovery, the Taulia network will continue to support the working capital needs of companies across the globe.

Thank you,

Cedric Bru
CEO | Taulia



A global community



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

Business Owner | SNEI California, Inc.



Suppliers were contacted in November 2020 with more than **12,000** responding to the survey



>50% were from **small businesses** with annual revenues of **less than \$10m**, and **6%** were from enterprises with revenues above **\$1bn**



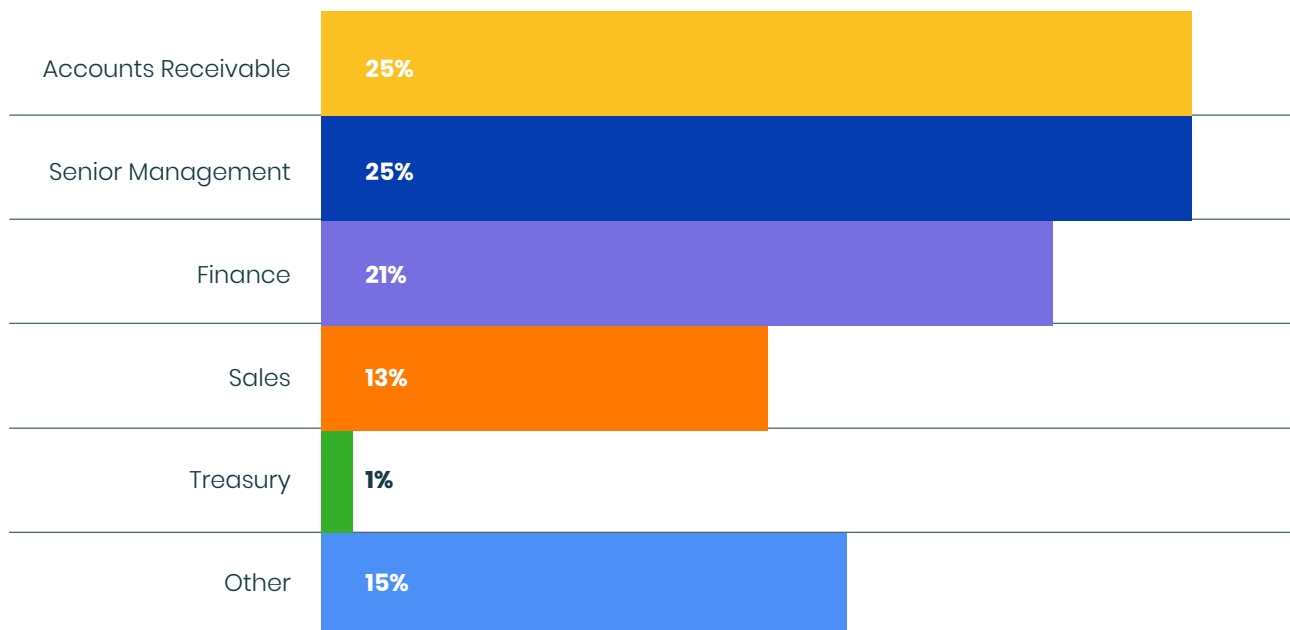
The survey respondents spanned the entire globe, including **North America, Europe, and Asia**



Respondents encompassed a **range of job roles**, from accounts receivable, senior management, finance, sales, and treasury departments



Supplier demographics by role...



>12,000

supplier responses revealed
some key findings...

1

43%



of respondents, during the crisis, were
paid late by their customers

2

33%



of businesses take early payment to
manage cash flow gaps

3

62%



of businesses want to have the option of
early payment made available to them



What does this mean?

During the height of the pandemic, Taulia took a pulse check of our supplier network, and our survey revealed some not-so-shocking findings. Late payments had jumped from +34% to 43% (during Covid) rates which hadn't been seen since 2017, while 62% of respondents desired early payment options. Though both figures

have fallen back to pre-pandemic levels, the disparity demonstrates the need for large corporate clients to have liquidity and technology solutions available to their supply chain to ensure business continuity should another crisis happen. Minimize the inevitable disruption caused by late payments from customers.

Coping with late payments

34.2% 

of suppliers are paid **late** by their customers

Just over one third (34%) of our respondents experience late payments from customers, with one in eight revealing that their customers pay them an average of 45 days or more after the due date.

This number is down from 37.5% in 2019. The number of firms experiencing late payments has been falling steadily since we began the survey (it was 47% in 2016), which is good news. In fact, as we conducted this survey, many countries, including the UK, implemented late payment reporting and monitoring schemes. There is clear correlation with better payment behavior.

Unfortunately, while the overall late payment trends downwards, the number of firms reporting very late payments has risen sharply. The percentage of respondents saying they were being paid on average more than 30 days late has risen from 9% in last year's report to 16% this year.

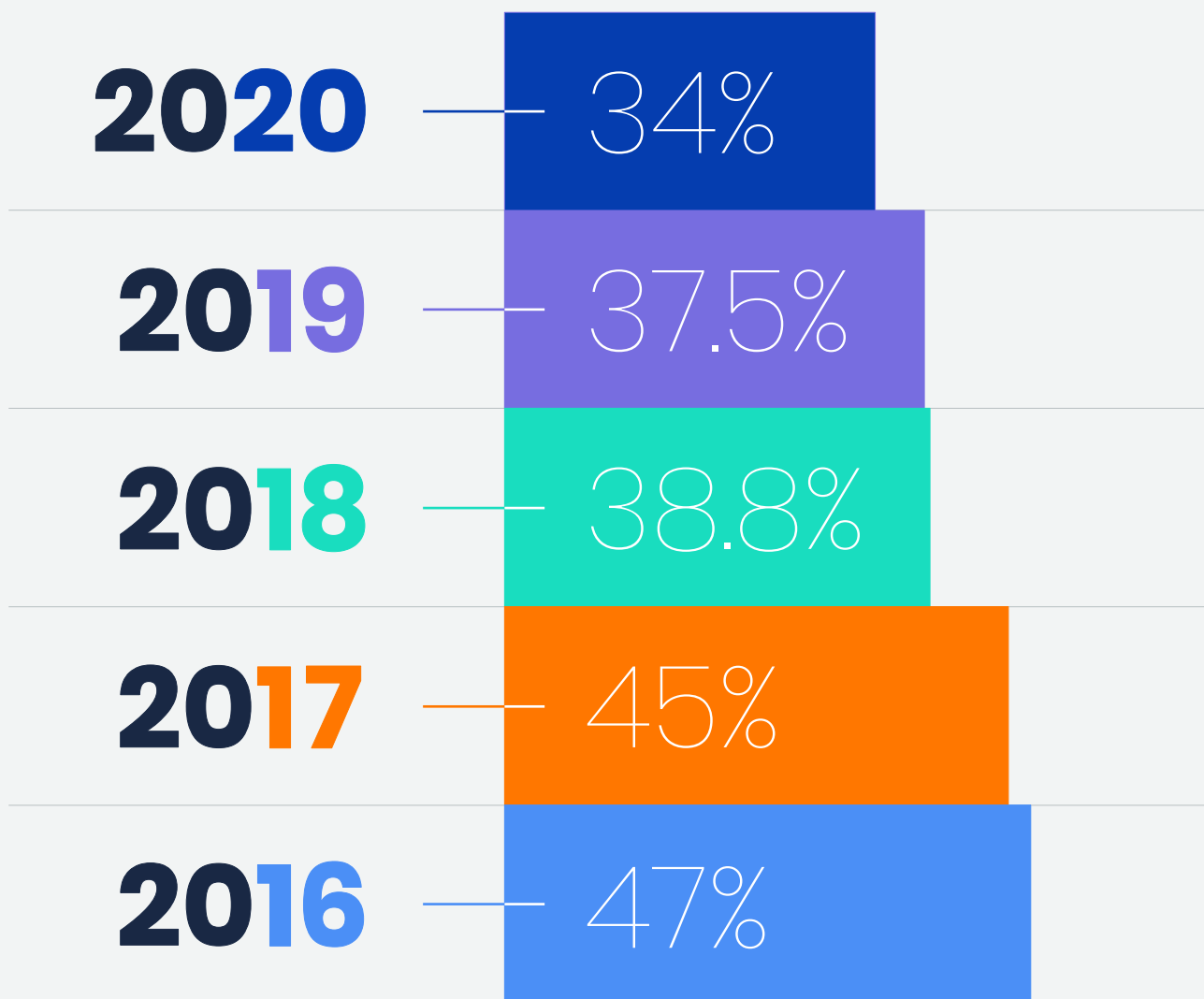


For any business, but especially smaller companies, late payment on that scale can have devastating consequences for cash flow, for working capital and, ultimately, for solvency.

For a fortunate few, their customers are being supportive by paying early: 8% of the businesses in our survey are experiencing this, compared to just 3% in our report last year.

For others, the option of taking early payment through the Taulia platform is becoming more attractive: 22% of firms say they would take early payment on 'every payment, every time', compared to just 12% last year, while a further 16% would take early payment 'most of the time', up from last year's 14%.

Late payments over the years...



Bridging the cashflow gap



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.

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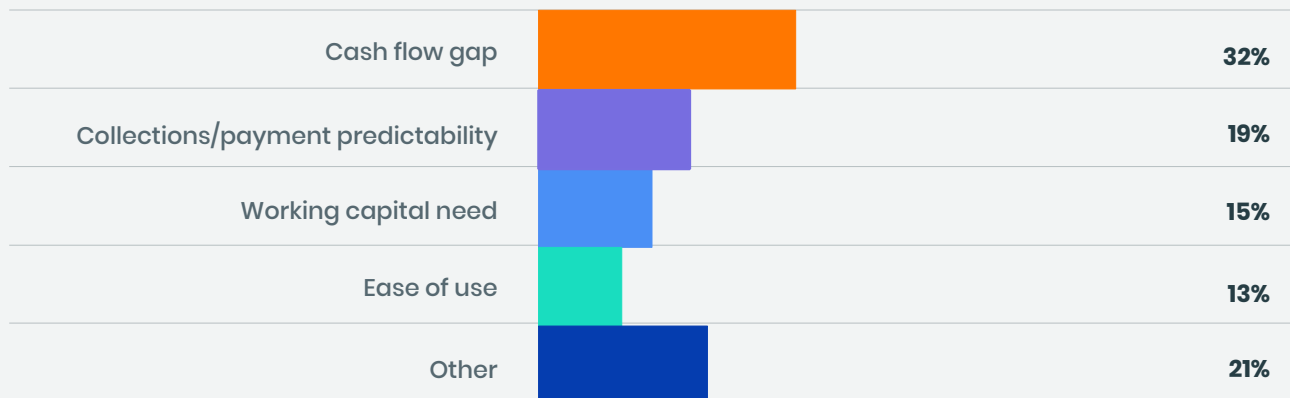
Finance & Accounts Lead | Nymagx Energy Services Limited

47%

are authorized to take early payments



Reasons for taking early payments...



Cash flow is the lifeblood of any business, and never more so than during a global crisis when revenues are vulnerable and risks high.

Our respondents were very clear about why they were interested in taking early payment through the Taulia platform.

Almost one in three cited the cashflow gap as the main reason, highlighting the difficulties faced by so many companies in bridging the time between incurring costs and getting paid.

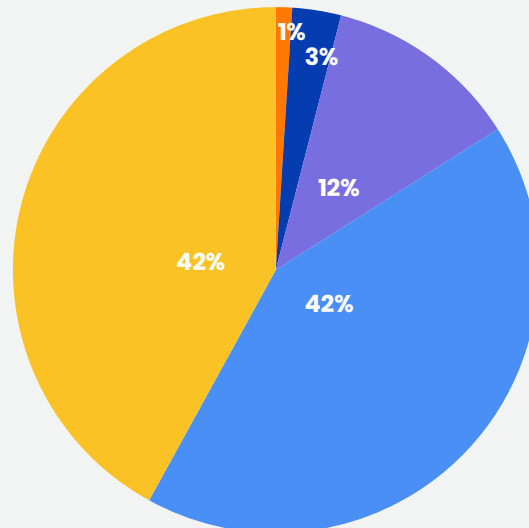
However, it isn't always about bridging a gap: One in five respondents said that predictability of payments and collections was the main reason to take the early payment option, while 15% cited a working capital need and, for 13% of respondents, it was ease of use that drove the decision to use the facility.

The value of Taulia



The Taulia supplier experience rating...

- Very negative
- Negative
- Neutral
- Positive
- Very positive



2020 was not a normal year by any criteria. The cash flow pressures faced by businesses across the globe during the year can be clearly seen in the supplier survey data. For many, access to early payment through Taulia has been a lifeline, bridging cash flow gaps that could have killed off otherwise healthy businesses.

It is gratifying that our users continue to recognise the value of the Taulia platform. The percentage of businesses rating their experience as 'very positive' has increased from 29% to 42%, with 97% giving a rating of neutral or above.

Conclusion

Each year, we use the supplier survey to understand how and why suppliers use the Taulia platform, as well as to gauge the wider perception of early payment opportunities.

This year, more than any other, has highlighted the value suppliers place on the ability to access early payments as a way of bridging a cash flow gap or enhancing the predictability of cash flows, with 57% of respondents to our survey interested in doing so.

As the pandemic recedes, some of the unique financial pressures on businesses will fade, but the demand for cash to fund the return to growth will be greater than ever.

This represents an opportunity to improve supplier-buyer relationships while also strengthening supply chains, increasing their flexibility and their ability to withstand whatever future economic shocks may occur.

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.





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