# Does size matter?

Using the results of our Late Payment Survey we've compared the performance of businesses with a turnover of less than £500,000 with those turning over more than £3 million throughout 2014 to see if size really matters when it comes to getting paid.

Key: Small – Small businesses – those with a turnover of less than £500k; Big – Large businesses – those with a turnover of more than £3m

## Delay in payment

Large businesses had an average delay in payment of 19.2 days compared to small businesses who had an average delay of 25.2 days.

25.2 days

19.2 days

## Credit control time

The average time spent on credit control per customer per week was 15 minutes and 18 seconds for small firms and only 6 minutes and 36 seconds for big businesses.

15 mins 18 secs

6 mins 36 secs

## Turnover written off

11% of small businesses wrote off more than 5% of their turnover as uncollectable compared to only 1% of large companies.

11%

1%

## *Impact of late payment*

We asked how, if at all, late payment has affected your business in the last six months. Here's what was said:

| | Turnover less than £500k | Turnover more than £3m |
|---|---|---|
| Spend more time chasing invoices | 83% | 83% |
| Pay your suppliers later | 50% | 34% |
| Increase borrowing | 37% | 25% |
| Pay HMRC later | 29% | 8% |
| Turn away new business | 8% | 5% |
| Make redundancies | 6% | 1% |
| Employ more credit control staff | 3% | 12% |

## *Credit management strategies*

We also asked businesses what credit management strategies they currently employ.

| | Turnover less than £500k | Turnover more than £3m |
|---|---|---|
| Constant reminding | 74% | 70% |
| Suspending work/services | 55% | 65% |
| Suspending customer credit facilities | 40% | 62% |
| New customer credit checks | 29% | 70% |
| Small claims court/CCJs | 24% | 45% |
| Written credit policy | 15% | 28% |
| Regular existing customer credit checks | 13% | 48% |
| Factoring | 8% | 15% |
| Credit insurance | 1% | 26% |

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