

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 businesses – those with a turnover of less than £500k  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% |