



Atradius Payment Practices Barometer 2024



B2B payment practices trends

Finland

Relaxed payment terms lead
to risk of liquidity gaps





About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey provides us with the opportunity to hear directly from companies polled about how they are coping with the impact of the current challenging economic and trading environment on payment behaviour of their B2B customers. This can give valuable insights into how businesses are paid by their B2B customers, and how they tackle the pain points caused by poor payment practices.

The findings about what measures are undertaken to fund a sudden need for cash, and what credit management tools they use to mitigate the risk of long-term cash flow problems, may also be valuable information in helping understand how companies respond to the crucial issue of late or non-payment in the current uncertain times.

However, the survey also has a strong focus on the challenges and risks that companies polled believe they will encounter during the coming months, and their expectations for future business growth.

The results of our survey can supply useful insights into the current dynamics of corporate payment behaviour in B2B trade, and identify emerging trends that may shape its future. This can be extremely useful to companies doing business, or planning to do so, in the markets polled.

In this report, you will find the survey results for Finland.

The survey was conducted between the end of Q1 and the beginning of Q2 2024. The findings should therefore be viewed with this in mind.



In this report

B2B payment practices trends Relaxed payment terms lead to risk of liquidity gaps	4
Key figures and charts	6
<hr/>	
Looking ahead Widespread concern about domestic economy and cybersecurity risks	7
Key figures and charts	9
<hr/>	
Survey design	10

Disclaimer

This publication is provided for information purposes only and is not intended as investment advice, legal advice or as a recommendation as to particular transactions, investments or strategies to any reader. Readers must make their own independent decisions, commercial or otherwise, regarding the information provided. While we have made every attempt to ensure that the information contained in this publication has been obtained from reliable sources, Atradius is not responsible for any errors or omissions, or for the results obtained from the use of this information. All information in this publication is provided 'as is', with no guarantee of completeness, accuracy, timeliness or of the results obtained from its use, and without warranty of any kind, express or implied. In no event will Atradius, its related partnerships or corporations, or the partners, agents or employees thereof, be liable to you or anyone else for any decision made or action taken in reliance on the information in this publication or for any loss of opportunity, loss of profit, loss of production, loss of business or indirect losses, special or similar damages of any kind, even if advised of the possibility of such losses or damages.

Copyright Atradius N.V. 2024

Finland

B2B payment practices trends

Relaxed payment terms lead to risk of liquidity gaps

Trading on credit in B2B sales remains an important tool for companies in Finland. Our survey shows a consistent trend from a year earlier with an average 46% of sales being made on credit with B2B customers across all sectors. While this reveals that Finnish businesses have a cautious approach, with a stronger preference for cash transactions, there are notable differences among the industries in our survey. Electronics/ICT companies have a high level of openness to the flexibility inherent in trading on credit, and an average 60% of B2B sales are currently being made that way as a means of driving sales and nurturing customer loyalty. 45% of sales are being transacted on credit in the Finnish steel/metals sector, primarily to build long-term relationships with B2B customers. In contrast, only 37% of B2B sales are being made on credit in the consumer durables industry, underscoring a prioritisation of risk management and financial stability by preferring cash transactions that provide immediate revenue and improve cashflow and liquidity.

The major change in approach among companies in Finland to B2B trading is the adoption of more relaxed payment policies and providing extra flexibility to their B2B customers. Nearly 40% of businesses in our survey are offering longer payment terms, with the average term now standing at more than two months from invoicing. The Finnish steel/metals industry leads the way, with 60% of companies relaxing payments terms for B2B customers, a change driven primarily by industry-level practices. Their terms are now 70 days from invoicing. Despite their preference for cash

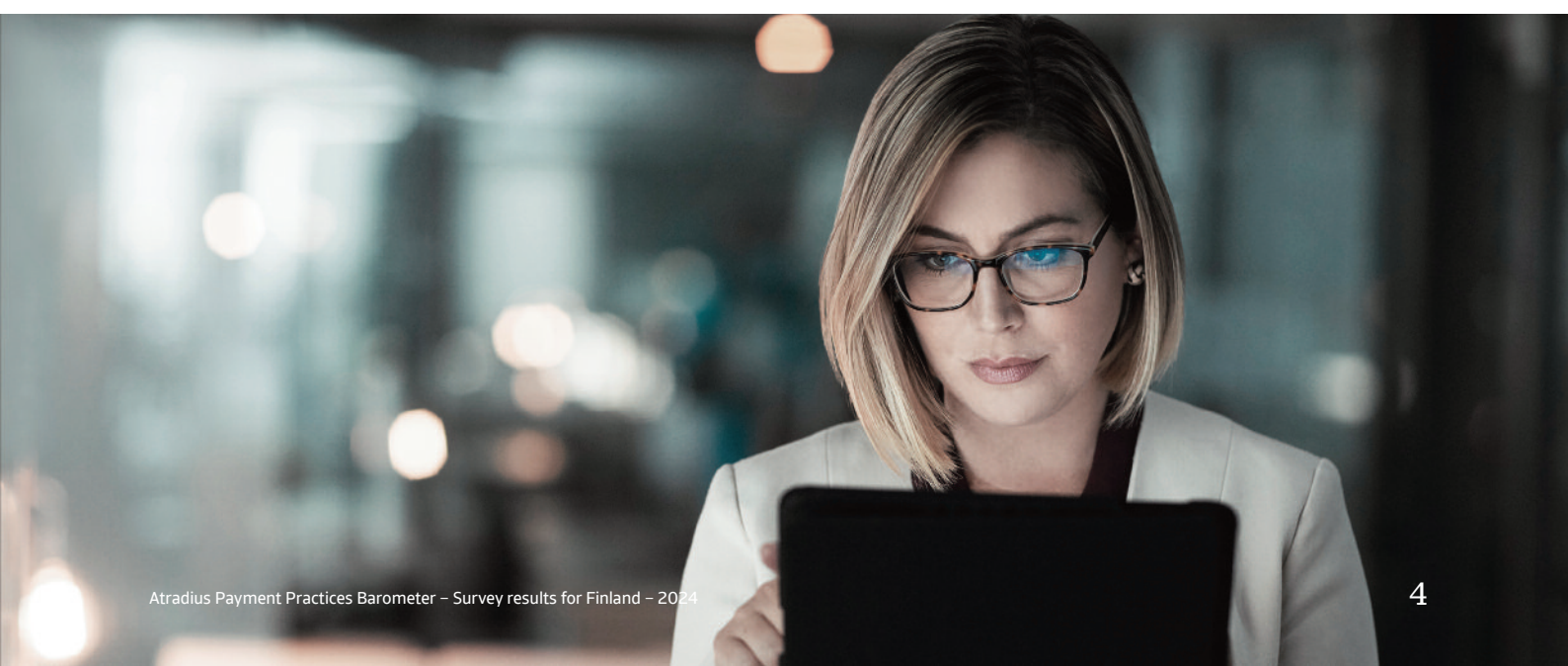
Key survey findings

- An average 46% of all B2B sales are being made on credit by companies in Finland, a consistent trend from a year earlier. However, there are significant differences among sectors, with the electronics/ICT industry having an average 60% of B2B sales on credit, but just 37% among consumer durables companies.
- Payment policies are notably more lenient among businesses in Finland, with 40% of companies offering longer term to B2B customers. This is particularly so in the steel/metals sector, where 60% of businesses are relaxing their terms, which now stand at 70 days from invoicing. The consumer durables industry is also extending more flexibility to B2B customers.
- The majority of Finnish companies say that B2B customer payment behaviour is relatively stable, but when there is change it is most likely to be a deterioration. Late payments currently affect 51% of all B2B sales on credit, while bad debts stand at an average 8% of all B2B sales on credit.

transactions, there is also a high level of flexibility among businesses in the consumer durables industry in Finland, where they offer relatively generous payment terms, currently standing at 80 days from invoicing. This is a strategic move, to reflect common industry practice and also to align payment terms with those received from suppliers to avoid a mismatch in payment cycles. The electronics/ICT sector has unchanged payment terms at around 60 days from invoicing.

Key figures and charts on the following pages

(continued on page 5)



Finland

Most businesses in Finland report that the payment practices of their B2B customers is relatively stable. However, our survey finds that where there is a change from a year earlier the prevailing trend is a deterioration in B2B customer payment behaviour rather than an improvement. This is probably a consequence of the more lenient payment terms being offered by Finnish companies, which offer short-term benefits such as increased sales but entail risks that need to be carefully managed. Overall, late payments currently affect 51% of all B2B sales on credit, while bad debts stand at 8% of all B2B sales on credit. The sector most affected by a worsening of payment practices is the steel/metals industry, where overdue invoices are being settled more than a couple of months past the due date, with B2B customers taking advantage of the more relaxed payment policies. There is no significant change in customer payment behaviour in either the electronics/ICT or consumer durables sectors, which say that late payments are primarily to delays in the customer payment process.

To address cashflow issues arising from customer payment delays, companies in our survey of Finland tell us they mostly resort to seeking bank credit. This is so for 68% of businesses in the steel/metals industry, who look to suppliers' credit as a supplementary measure to effectively manage cashflow. This is also the preference among consumer durables companies, while in the Finnish electronics/ICT sector they look to invoice financing as a supplementary measure alongside bank credit to prevent liquidity problems. One area of potential financial distress is problems in collecting large, long-overdue invoices, and this accounts for a deteriorating trend in Days-Sales-Outstanding (DSO) for some companies in Finland. The steel/metals industry had the highest percentage of businesses reporting a worsening of DSO, which may be

- Many steel/metals businesses in Finland report a worsening of payment practices as B2B customers take advantage of more lenient payment terms. The electronics/ICT sector largely sees no change, and more improvement than worsening. A similar scenario is evident in the Finnish consumer durables industry.
- 68% of businesses in the Finnish steel/metals sector say they look primarily to bank credit to manage cashflow challenges arising from customer payment risk. Electronic/ICT companies do the same, but use invoice financing as a supplementary measure. Bank credit is also most popular in the consumer durables sector, with supplier credit as an extra step to prevent liquidity problems.
- Most companies in our survey of Finland say there is no significant change in Days-Sales-Outstanding (DSO) from a year earlier, but otherwise the prevailing trend is deterioration rather than improvement. The steel/metals sector has the highest percentage of businesses with worsening DSO, at an average 78 days from invoicing.

attributed to the more lenient payment terms being offered to B2B customers. DSO now stands 78 days from invoicing in this industry. While there is no significant change in debt collection efficiency in the electronics/ICT and consumer durables sectors, they both still struggle with high DSO figures. This underscores the importance of proactively adopting enhanced credit management practices.

Key figures and charts on the following pages

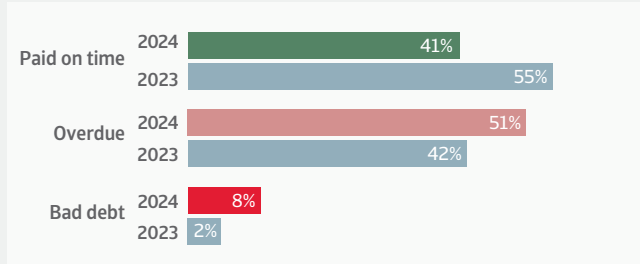




Finland

Finland

% of the total value of B2B invoices paid on time, overdue and bad debt (2024/2023)

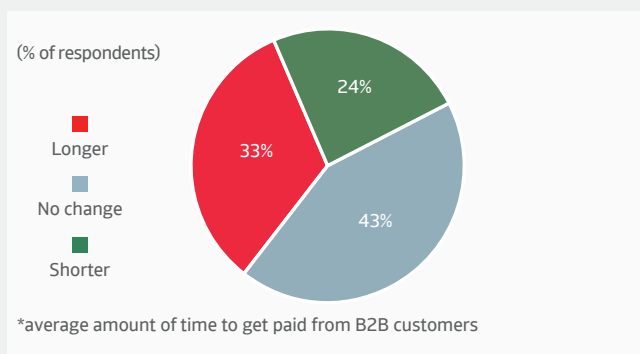


Sample: all survey respondents

Source: Atradius Payment Practices Barometer Finland – 2024

Finland

% of respondents reporting changes in payment duration* over the past 12 months

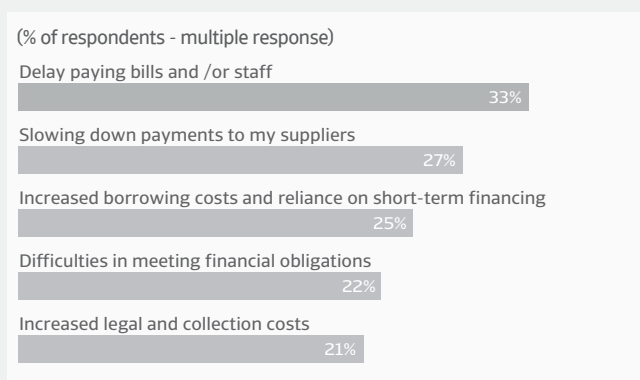


Sample: all survey respondents

Source: Atradius Payment Practices Barometer Finland – 2024

Finland

Over the past 12 months, have late payments from your B2B customers led your company to experience any of the following situations?



Sample: all survey respondents

Source: Atradius Payment Practices Barometer Finland – 2024

Finland

What are the main sources of financing that your company used during the past 12 months?

- 60% Bank loans
- 41% Invoice financing
- 40% Trade credit
- 24% Internal funds

(% of respondents - multiple response)

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Finland – 2024

Finland

Looking ahead

Widespread concern about domestic economy and cybersecurity risks

The primary and widespread concern of companies in Finland is the state of the domestic economy. This is felt in both the short-term and the long-term, and is expressed across all sectors of our survey. However, there is also some optimism in the business environment about the potential for a gradual improvement in economic growth throughout the year due to factors such as low inflation increasing real incomes, monetary policy adjustments, and stronger external demand. Another significant short-term anxiety is about cybersecurity and its associated risks such as threats to data integrity and confidentiality. This is particularly felt in the consumer durables and electronics/ICT industries where reliance on digital technologies is high, increasing susceptibility to cyberattacks. Regulatory compliance is a further short-term concern for companies, especially in the steel/metals sector.

Several long-term worries are evident in our survey of companies in Finland. The electronics/ICT industry has increasing apprehension about technological obsolescence, the failure to adopt or integrate new technologies, and a reliance on outdated systems. They fear this could hinder competitiveness and innovation. Businesses in the consumer durables sector have a particular anxiety about challenges related to the lack of a skilled workforce, as well as difficulties in attracting and retaining talent. The concern is that this

Key survey findings

- The state of the domestic economy is the major concern in both the short-term and long-term for companies across all sectors in Finland. There is also some optimism, though, about business growth in the year ahead due to favourable factors such as low inflation that could boost consumer spending power.
- Another significant short-term anxiety is about cybersecurity and associated risks, particularly data integrity and confidentiality, which is felt particularly in the consumer durables and electronics/ICT sectors. Regulatory compliance is a key short-term concern in the Finnish steel/metals industry along with the impact of geopolitical tensions.
- A clear long-term worry, especially in the electronics/ICT sector, is about technological obsolescence and the risks of failing to integrate new systems. The consumer durables industry in Finland expresses concern about the lack of a skilled workforce and difficulties in attracting and retaining talent, which could impede business growth.

could affect business growth and development. Persistent geopolitical tensions are a worry for the Finnish steel/metals sector, and the potential for supply chain disruptions to impact on business operations and sales efforts.

Key figures and charts on the following pages

(continued on page 8)



Finland

Almost half of businesses in our survey of Finland say they expect B2B customer payment behaviour to undergo significant changes during the year ahead. Overall, more companies expect a negative trend than a positive trend, and this is particularly so in the steel/metals industry. The prospect of a deterioration in payment practices aligns with the view among companies in the steel/metals sector about the potential for an increased risk of insolvencies during the coming 12 months. A more neutral opinion is found in the Finnish electronics/ICT industry, where most businesses anticipate no change in the outlook for B2B payment practices. An equal number of companies in the consumer durables sector anticipate either an improvement or a deterioration in B2B customer payment behaviour, and this divergence of confidence highlights the importance of proactive credit risk management and strategic planning to navigate an evolving economic landscape and to sustain financial resilience.

Relative stability in the outlook for Days-Sales-Outstanding (DSO) is anticipated by businesses in our survey of Finland. 40% of companies tell us they anticipate no major shifts in debt collection efficiency and cashflow management during the year ahead. Among those who expect change, pessimism is more prevalent than optimism, a mood especially evident in the steel/metals industry. The expectation of a worsening in DSO in this sector indicates a growing concern about the effectiveness of collecting long-overdue, high-value invoices,

- There is a mixed mood among businesses in Finland about the prospects for B2B customer payment behaviour during the year ahead. The steel/metals industry is pessimistic, but the electronics/ICT sector expects no change or an improvement in payment practices. No clear-cut opinion is found among consumer durables companies.
- An increasing potential for insolvency risk in the coming 12 months is anticipated by companies in the Finnish steel/metals industry. A more neutral view is taken in the electronics/ICT and consumer durables sectors, but it highlights the importance of proactive credit risk management to sustain business resilience.
- Most pessimism is again evident in the steel/metals sector in Finland about the prospects for Days-Sales-Outstanding (DSO). They anticipate a deterioration due to concerns about efficiency in collecting long-overdue, high-value invoices. No change or an improvement in DSO is expected in the electronics/ICT and consumer durables industries.

which could put a strain on the financial stability of the industry. In contrast, most companies in the Finnish electronics/ICT and consumer durables industries anticipate either no significant change or an improvement in DSO during the year ahead.

Key figures and charts on the following pages

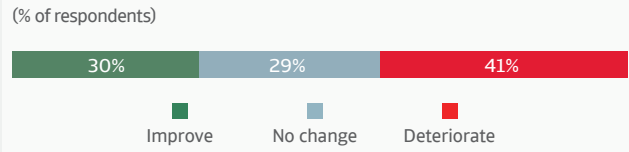




Finland

Finland

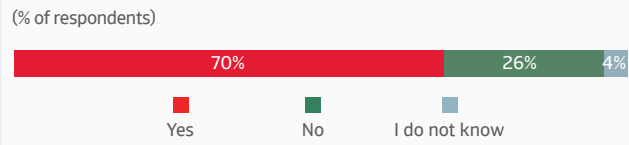
Looking ahead to the next 12 months: how do you expect the payment practices of your B2B customers to change?



Sample: all survey respondents
Source: Atradius Payment Practices Barometer Finland – 2024

Finland

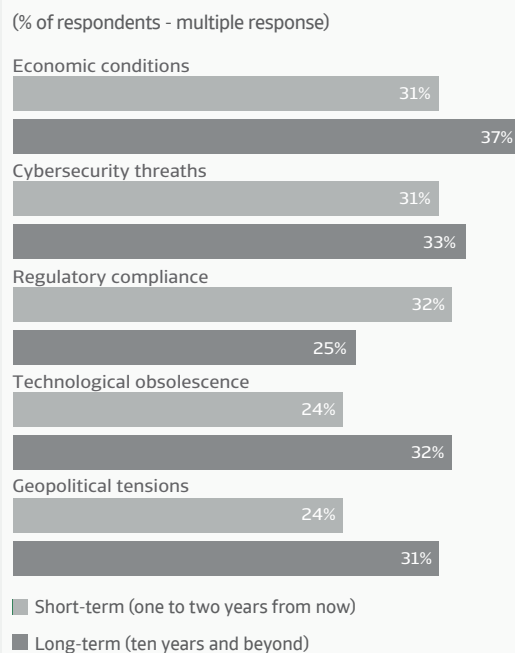
Do you see an increased insolvency risk for your customers in the next 12 months?



Sample: all survey respondents
Source: Atradius Payment Practices Barometer Finland – 2024

Finland

Looking ahead: top 5 concerns expressed by businesses polled



Sample: all survey respondents
Source: Atradius Payment Practices Barometer Finland – 2024

Finland

How do you expect your average DSO to change over the next 12 months?

- 17% Improve
- 56% No change
- 27% Deteriorate

(% of respondents)

Sample: all survey respondents
Source: Atradius Payment Practices Barometer Finland – 2024

Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in Finland are the focus of this report, which forms part of the 2024 edition of the Atradius Payment Practices Barometer. A change in research methodology means year-on-year comparisons are not feasible for some of these survey results. Using a questionnaire, CSA Research conducted 210 interviews in total. All interviews were conducted exclusively for Atradius.

Survey scope

- **Basic population:** Companies from Finland were surveyed, and the appropriate contacts for accounts receivable management were interviewed
- **Sample design:** The Strategic Sampling Plan enables us to perform an analysis of country data crossed by sector and company size. It also allows us to compare data referring to a specific sector crossed by each of the economies surveyed.
- **Selection process:** Companies were selected and contacted by use of an international Internet panel. A screening for the appropriate contact, and for quota control, was conducted at the beginning of the interview.
- **Sample:** N=210 people were interviewed in total. A quota was maintained according to four classes of company size.
- **Interview:** Computer Assisted Web Interviews (CAWI) of approximately 15 minutes duration. Interview period: The survey was conducted between the end of Q1 and the beginning of Q2 2024. The findings should therefore be viewed with this in mind.

Sample overview – Total interviews = 210

Business sector	Interviews	%
Manufacturing	112	53
Wholesale trade	46	22
Retail trade/Distribution	30	14
Services	22	11
TOTAL	210	100
Business size	Interviews	%
SME: Small enterprises	41	20
SME: Medium enterprises	68	32
Medium Large enterprises	71	34
Large enterprises	30	14
TOTAL	210	100
Consumer durables	71	35
Electronics/ICT	70	33
Steel/metals	69	32
TOTAL	210	100

Statistical appendix

Find detailed charts and figures in the Statistical Appendix. This is part of the 2024 Payment Practices Barometer of Atradius, available at www.atradius.com/publications [Download in PDF format](#) (English only).

Interested in finding out more?

Please visit the Atradius website where you can find a wide range of up-to-date publications. [Click here](#) to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by your customers.

Follow us to stay up to date with our latest releases by [subscribing](#) to notifications of our Publications, and receive weekly emails with alerts to when new reports are published.

To find out more about B2B receivables collection practices in **Finland and worldwide**, please visit atradiuscollections.com.

For Finland please visit atradius.fi

Follow Atradius on
Social Media



@Atradius



Atradius

Atradius
David Ricardostraat 1 · 1066 JS Amsterdam
Postbus 8982 · 1006 JD Amsterdam
The Netherlands
Phone: +31 20 553 9111

info@atradius.com
atradius.com