



Key trends for B2B payments and cash flow

# Poland

Cash flow worries soar amid sharp rise  
in payment delays



## 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 Poland.

The survey was conducted between the end of Q1 and mid Q2 2023, and findings should therefore be viewed with this in mind.



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# B2B payment trends and cash flow

## Cash flow worries soar amid sharp rise in payment delays

During the past 12 months, there was a clear fall in the level of sales transacted on credit among companies surveyed in Poland, and they now average 46% of all B2B sales. This downward trend was attributed to persistent high inflation and tight monetary policy by 34% of businesses polled, who said this had strongly curbed consumer spending. Construction companies said tighter credit conditions had affected residential development. The consequent negative effect on companies' cash flow across various sectors was also evident in a 28% increase in overdue B2B invoices during the past 12 months, the highest percentage across markets polled in Eastern Europe.

It meant that half of the total value of B2B sales on credit were overdue, and our survey revealed that businesses surveyed in Poland faced an average 86-day wait to be paid by B2B customers, against 45 days to settle invoice payment. This was another strong signal of potential cash flow problems for companies trading on credit with B2B customers. They told us it had a strong bearing on Days-Sales-Outstanding (DSO), which either deteriorated or did not change significantly from the already high figure of 12 months ago, prompting further concerns for the financial health of the business. The construction sector in Poland was again particularly affected.

A range of actions was taken in response by companies surveyed in Poland. One significant move was to grant shorter payment terms, down to the already mentioned average of 45 days from invoicing, in a bid to avoid liquidity shortages. The tighter domestic monetary conditions also played a part, with 48% of Polish businesses preferring bank loans as a source of trade finance against 30% who opted for trade credit. Another action was spending more time and resources on chasing overdue invoices, while 50% of companies surveyed in Poland said they delayed payments to their own suppliers, this having the potential to cause a subsequent knock-on effect to supply chains in which they play a great role, particularly in Europe.

The deterioration of B2B customers' payment practices placed a sharp focus on the management of customer credit risk. 70% of companies surveyed in Poland said they opted for in-house retention and management of the issue to minimise the impact on the business, speed up cash inflow and generally improve their liquidity position. A strategic approach to managing customer credit risk involving the use of credit insurance was taken by fewer companies polled, particularly in the agri-food sector. Letters of credit to cover international B2B transactions on credit were a popular choice.

**Key figures and charts on the following pages**

## Key survey findings

- A combination of persistent high inflation and tight monetary policy, which curbed consumer spending, led to a falling trend in B2B sales on credit. Companies surveyed in Poland reported that B2B sales transacted on credit now average 46% of all sales.
- This caused cash flow problems, which were exacerbated by a 28% increase in overdue invoices. Half of all B2B sales on credit remained unpaid at the due date, with businesses in the Polish construction sector particularly affected.
- Companies responded to this liquidity threat by offering shorter payment terms, averaging 45 day from invoicing.
- There was a significant increase in the average wait to collect payments from slow-paying customers. These now stand at an average of 86 days wait from invoicing, compared to 78 days last year. Days-Sales-Outstanding (DSO) also either deteriorated or showed no change from an already high level 12 months ago.
- 50% of companies surveyed in Poland said they reacted by delaying payments to their own suppliers, with a potential knock-on effect to supply chains with which they are intertwined, particularly in Europe. Many businesses also spent more time and resources on chasing unpaid invoices.
- In-house retention and management of customer credit risk was the preferred option of 70% of companies in Poland. Lower attention was paid to outsourcing the issue to a credit insurer, particularly among businesses in the agri-food sector.

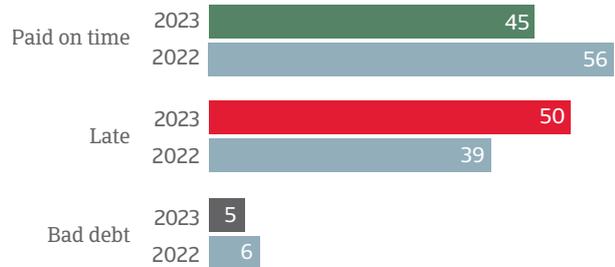




# Poland

## Poland

% of the total value of B2B invoices paid on time, overdue and bad debt (2023/2022)

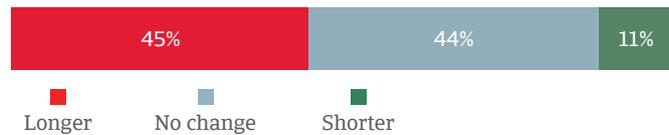


Sample: all survey respondents

Source: Atradius Payment Practices Barometer Poland – 2023

## Poland

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



\*average amount of time to get paid from B2B customers

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Poland – 2023

## Poland

Measures put in place to minimise cash flow problems due to payment default of B2B customers

(% of respondents - multiple response question)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer Poland – 2023

### Survey question

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

- 48% Bank loans
- 34% Equity capital
- 30% Trade credit
- 26% Internal funds

\*multiple response question

Sample: all survey respondents (% of respondents)

Source: Atradius Payment Practices Barometer Poland – 2023

# Looking ahead

## Range of strong concerns as inflation continues to bite

The key concern for the months ahead among companies surveyed in Poland is the potential for further negative impacts from persistently high inflation. The level of inflation, which was already elevated on the domestic market before the pandemic, is showing a gradual decline thanks to a reduction in gas prices, but services inflation remains high. Businesses in Poland are worried this will continue to weaken demand and consumer spending. Further anxiety was expressed about the volatility of the Polish currency, as well as volatility of interest rates amid a tight monetary policy which has significantly impacted lending to the private sector.

Our survey found that another major worry looking ahead for businesses in Poland is focused on the availability of skilled staff and experienced managers. This is a particular concern because of a significant lack of workers in the labour market due to long-term demographic changes in Poland. There is potential for this to be eased in future, but this will depend on whether the workforce applying for jobs will have the relevant skills required by Polish companies. Worries were also expressed by businesses polled about unpredictable swings of energy costs and a possibly disruptive impact of cyber fraud risk.

A mixed mood was expressed about prospects for the year ahead across various indicators. 49% of businesses surveyed in Poland anticipate no change in profit margins, while a majority in the agri-food sector expect a worsening. Across all sectors, 58% of businesses polled anticipate an increase in demand, while 18% expect it to fall during the coming 12 months. There was less optimism about the trend for Days Sales Outstanding (DSO), where 35% of companies expect deterioration in the year ahead and 32% anticipate no change. The majority of businesses polled also believe there will be no alteration in B2B customer payment trends, although there is some degree of optimism in the consumer durables sector.

In-house retention and management of customer credit risk remains the preferred option for the majority of businesses surveyed in Poland. 18% more companies polled than last year told us they would continue to follow this path. However, our survey also found that 24% more businesses than last year reported increasing attention towards a policy of strategic credit management that involves the use of credit insurance. They said this had the benefit of freeing up working capital to be used in the business in a way that in-house management of customer credit risk does not. This was particularly expressed by companies in the construction sector.

**Key figures and charts on the following pages**

## Key survey findings

- The main concern looking ahead for companies in Poland is that continuing high levels of inflation will further weaken demand and consumer spending. There is also great anxiety about volatility of the Polish currency and of interest rates.
- Another clear worry expressed by businesses surveyed in Poland is about the availability of skilled staff and managers amid a general workforce shortage. There was also concern about volatile energy costs and higher risk of cyber fraud.
- Optimism was reported by companies surveyed in Poland about the prospects for demand in the year ahead. 58% of businesses said they expect demand to grow, and therefore sales, while only 18% anticipate waning demand.
- There was more scepticism around the outlook for profit margins during the coming 12 months. 49% of companies in Poland expect no change, particularly in the construction sector, while the majority of others anticipate a worsening business profitability.
- A similarly mixed but generally negative verdict was expressed about prospects for Days Sales Outstanding (DSO). 35% of companies polled expect a deterioration of DSO, but 32% anticipate improvement and the rest no change during the year ahead.
- There was an 18% increase in Polish companies who expect to go for in-house retention and management of customer credit risk in the year ahead. However, our survey found a 24% rise in businesses who anticipate taking up credit insurance, within the frame of a more strategic approach to credit management.





# Poland

## Poland

Looking ahead to the next 12 months, how do you expect your sales and profit margins to change?

(% of respondents)

Sales



Profit margins



■ Improve    ■ No change    ■ Deteriorate

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Poland - 2023

## Poland

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

(% of respondents)



■ Improve    ■ No change    ■ Deteriorate

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Poland - 2023

## Poland

Looking ahead to the next 12 months: top 3 concerns expressed by businesses polled

(% of respondents - multiple response question)



Inflation



Interest rates volatility



Availability of skilled staff and experienced managers

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Poland - 2023

### Survey question

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

(% of respondents)

33% Improve  
32% No change  
35% Deteriorate

Sample: all survey respondents

Source: Atradius Payment Practices Barometer Poland - 2023

## Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in Poland are the focus of this report, which forms part of the 2023 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 211 interviews in total. All interviews were conducted exclusively for Atradius.

### Survey scope

- **Basic population:** Companies from Poland 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=211 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 mid Q2 2023.

### Sample overview – Total interviews = 211

Business sector	Interviews	%
Manufacturing	80	38
Wholesale trade	54	26
Retail trade/Distribution	55	26
Services	22	10
<b>TOTAL</b>	<b>211</b>	<b>100</b>

Business size	Interviews	%
SME: Small enterprises	40	19
SME: Medium enterprises	71	34
Medium Large enterprises	65	30
Large enterprises	35	17
<b>TOTAL</b>	<b>211</b>	<b>100</b>

Agri/Food	65	31
Construction	70	33
Consumer Durables	76	36
<b>TOTAL</b>	<b>211</b>	<b>100</b>

## Statistical appendix

Find detailed charts and figures in the Statistical Appendix. This is part of the 2023 Payment Practices Barometer of Atradius, available at [www.atradius.com/publications](http://www.atradius.com/publications) [Download in PDF format](#) (English only).

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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 **Poland and worldwide**, please visit [atradiuscollections.com](http://atradiuscollections.com).

For Poland please visit [atradius.pl](http://atradius.pl)

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