

Switzerland

# European Payment Report 2024

**intrum**

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# Country snapshot: Executive summary

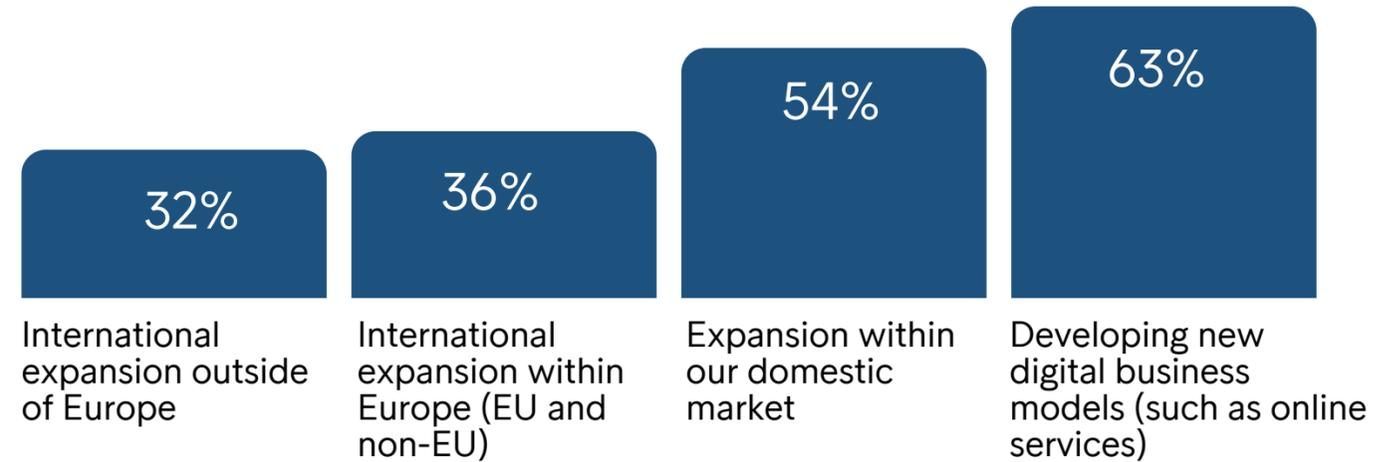
The Swiss economy sustained a moderate pace of growth in the fourth quarter of 2023. Once again, services proved the main pillar of growth, while manufacturing saw a decline in value added, especially in the chemical-pharmaceutical industry. Numerous indicators currently suggest that Swiss economic growth will remain moderate in the near future.

Swiss businesses are growth oriented with 65% saying that expanding the business is a top priority today, compared to 55% on average. Swiss respondents are also more active when it comes to paying suppliers, with 63% saying they are taking steps to ensure payments are made within the agreed time frame, compared to just 52% on average in Europe.

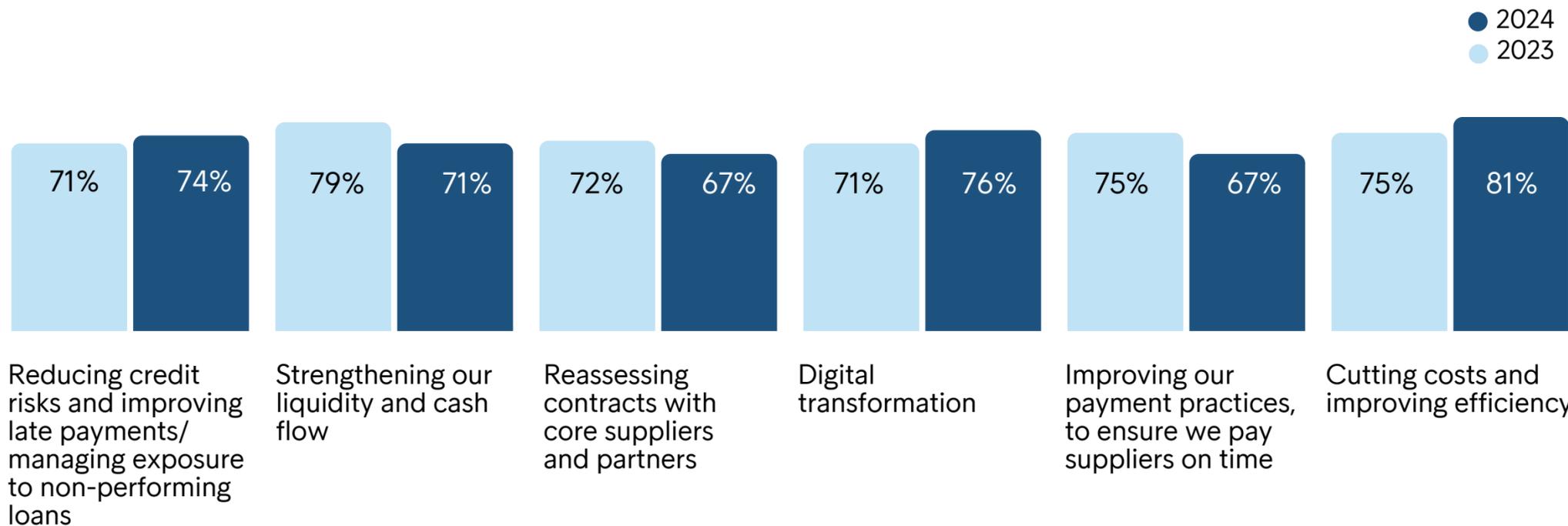


# Businesses are nervously optimistic

Would you say that the following represent a viable opportunity for your organisation in the next two or three years? (Percentage “very viable” and “somewhat viable”)



To what extent, if at all, are the following initiatives a strategic priority for your organisation in the next year?



**55%**

say that in the last year, they have shifted their focus away from growth and towards greater efficiencies and cost savings

**60%**

say, due to the economic slowdown, they are finding it increasingly difficult to pay their suppliers on time

# Payment times and behaviour

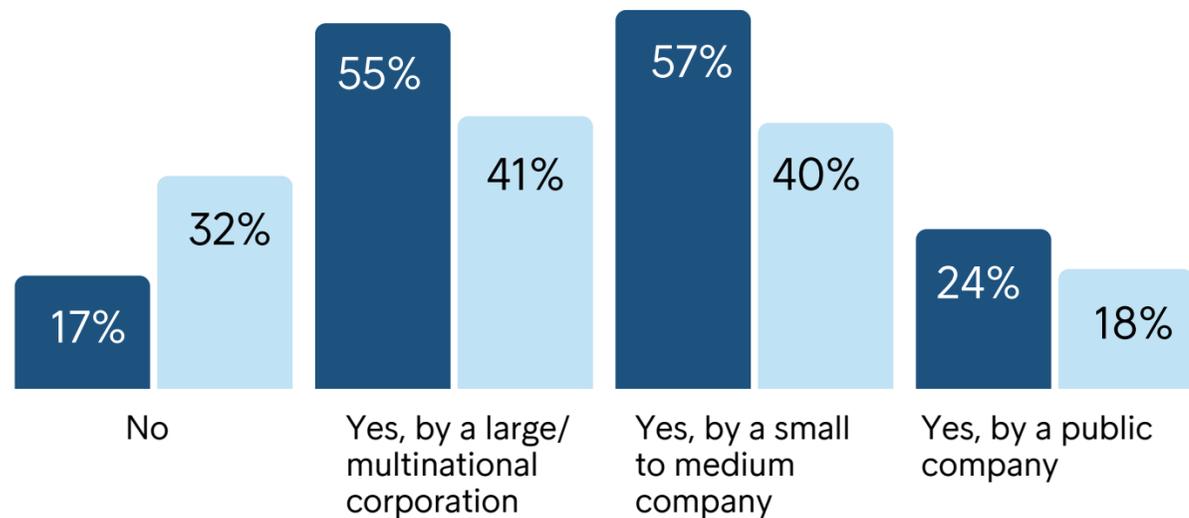
## 83%

say they have been asked to accept longer payment times (2023: 87%)

## 68%

say they have been accepted longer payment times (2023: 75%)

Have you been asked (●) to accept and have you accepted (●) longer payment times than you feel comfortable with over the past 12 months?



## 68%

are more concerned than ever about their customers' ability to pay on time. (2023: 61%)

## 51%

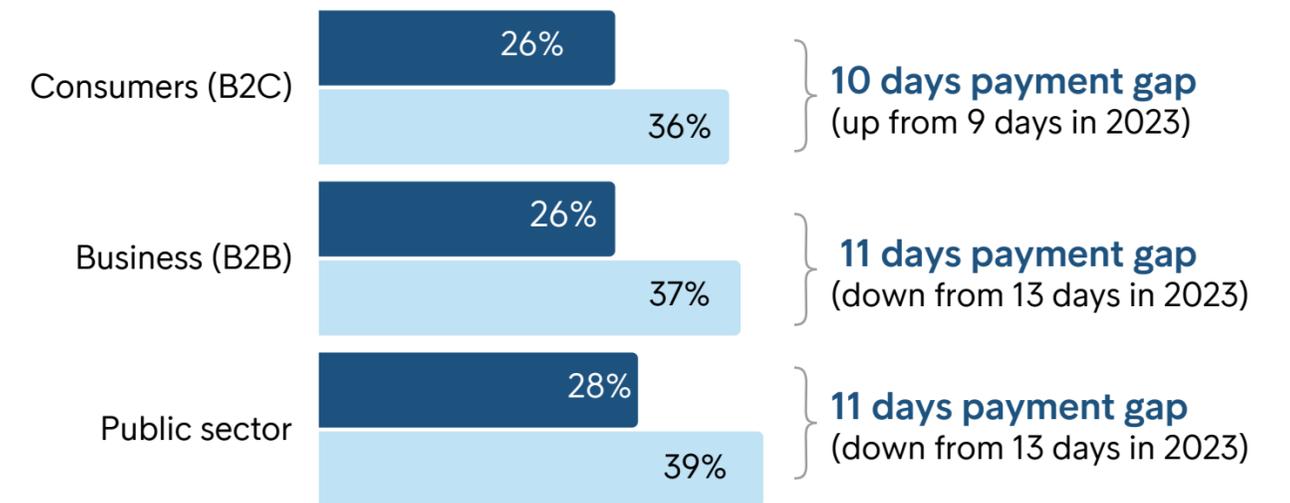
say they struggle to achieve a clear understanding of our clients'/customers' ability to pay on time and in full.

## 72%

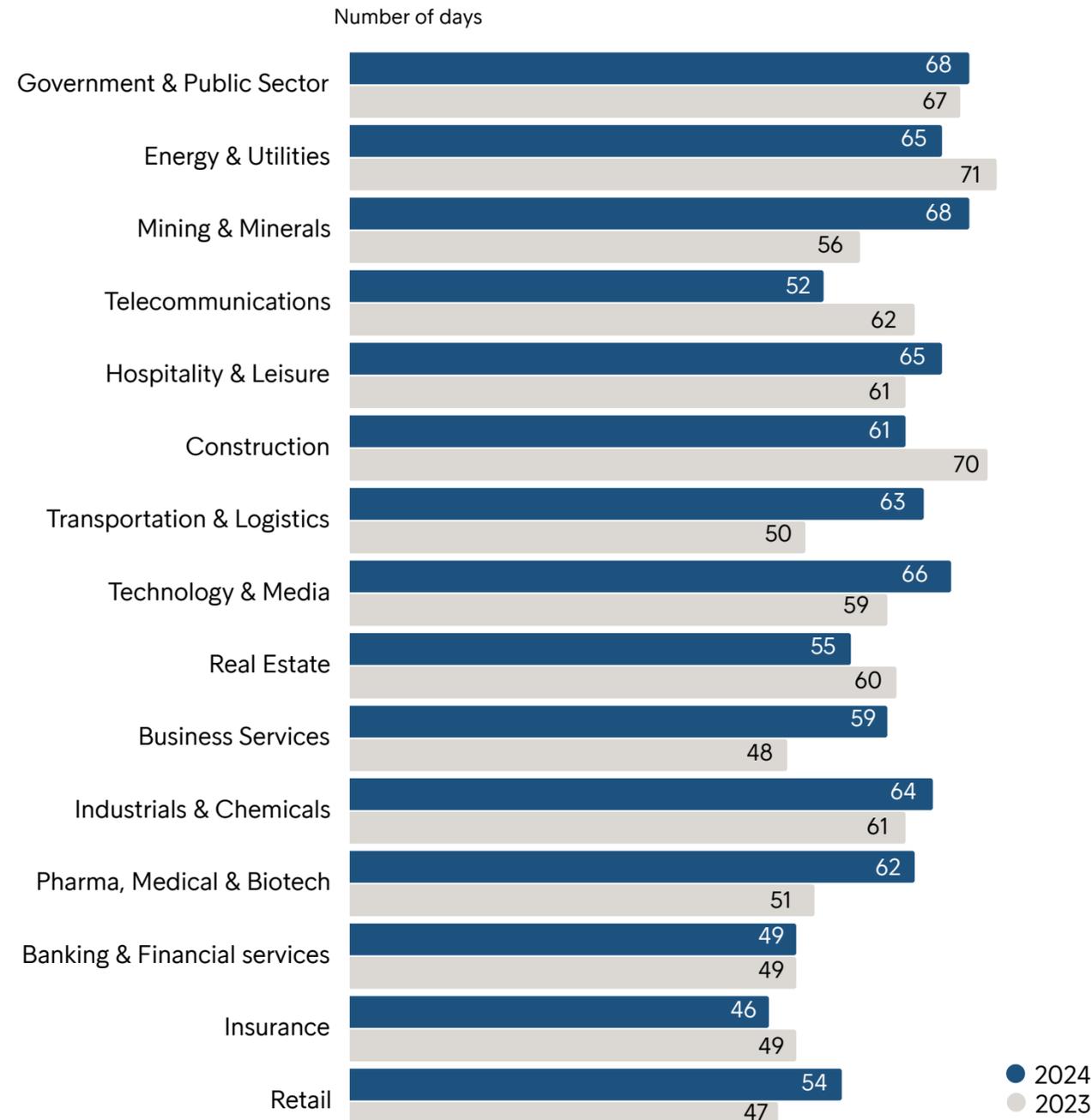
say payments paid on time are critical to building and maintaining trust with their suppliers and partners. (2023: 70%)

### Gap in payment terms offered and actual payment duration is relatively stable from 2023

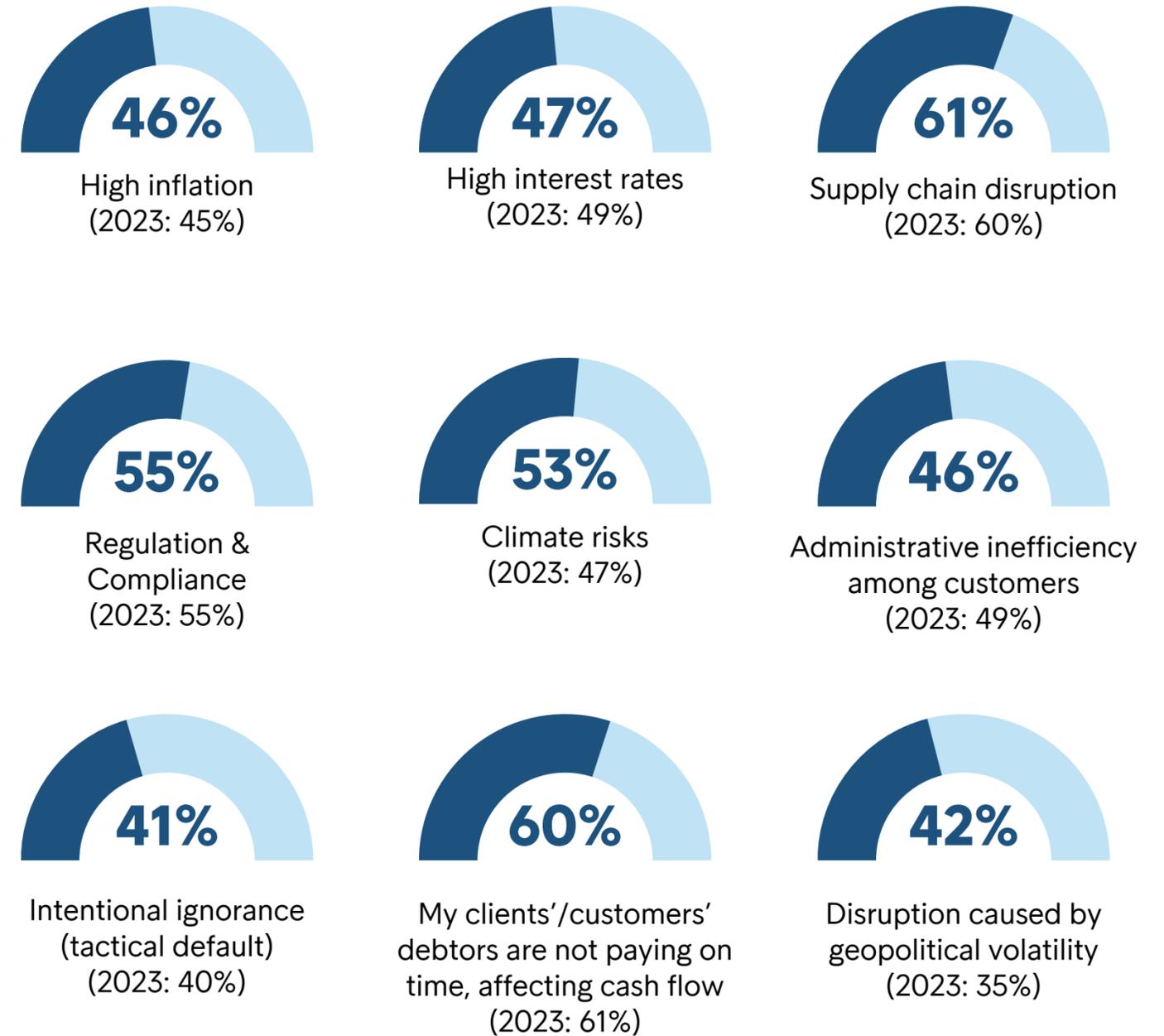
- Average payment terms offered
- Average actual payment time



What is the average time taken by your corporate customers (B2B) in each of the following industries to make their payments?

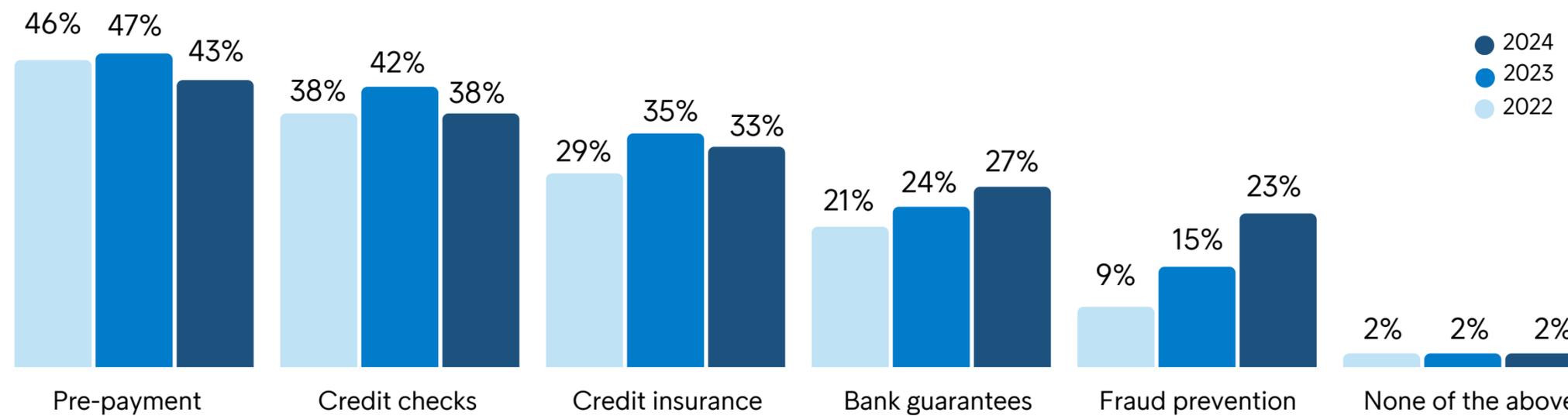


Which of the following challenges impact on your clients' / customers' ability to pay on time and in full over the next 12 months?



# Tackling late payments

What precautions does your company undertake to protect against late payment?



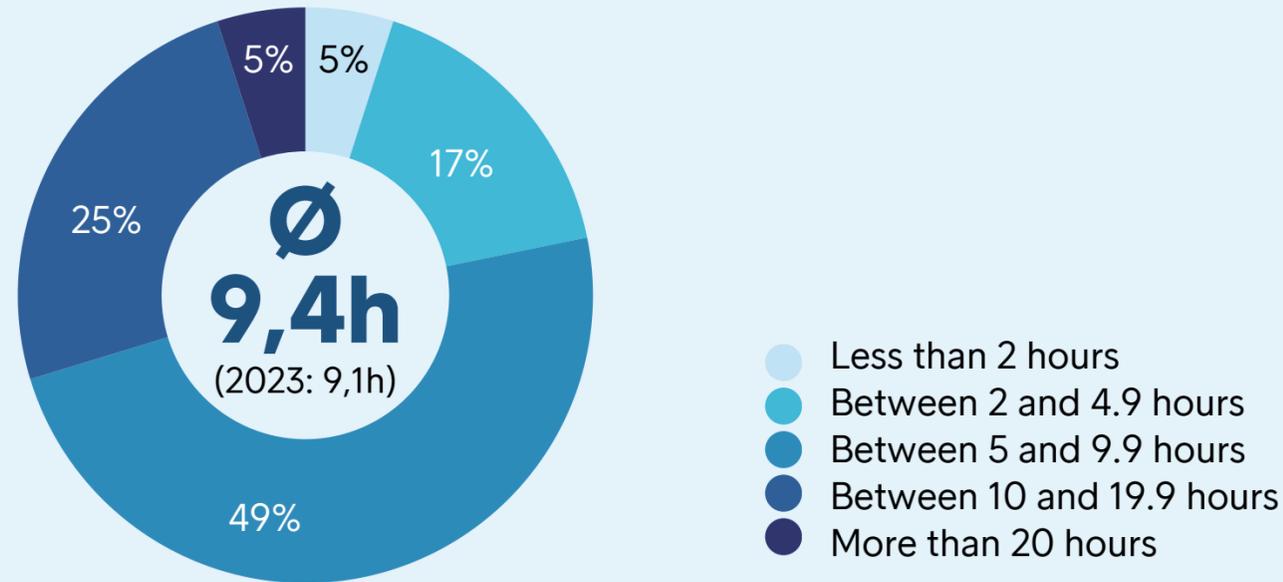
**50%**

say to maintain client/customer loyalty, they will either start offering or increase the offering of buy-now/pay-later solutions that allow customers to pay for purchases over time (2023: 44%)

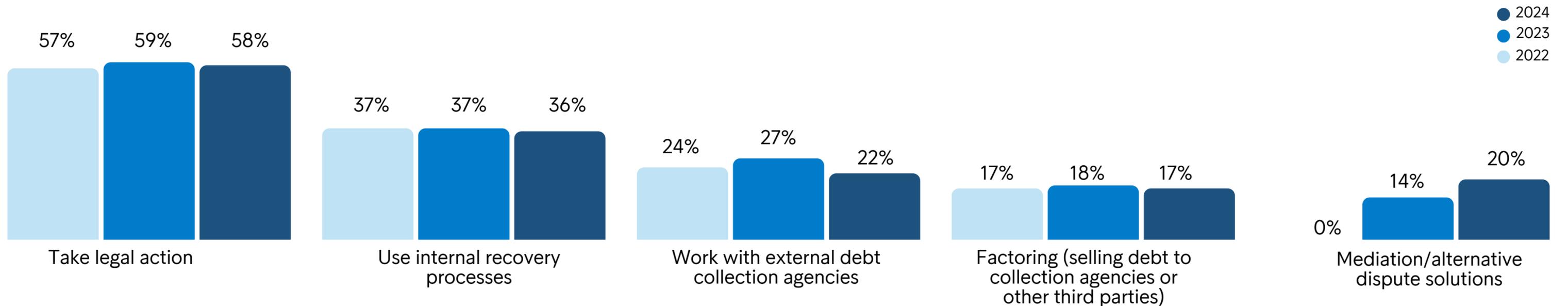
**59%**

say that high inflation and interest rates have caused them to extend their payment terms to suppliers over the past year. (2023: 48%)

To your best estimate, how many hours on average does your organisation spend each week chasing clients/customers for payment (such as sending reminders and making phone calls, etc)?



When your organisation experiences late or non-payment from a client/customer, what actions do you take as a result?



# Businesses worry they will fall behind without AI, though many see benefits

To what extent do you agree with the following statement about your business' approach to managing payments?

**If we can't handle new payment technologies, we will fall behind our competitors**



(European average: 53%)

**If we do not implement AI tools into our back-office processes, we will rapidly fall behind our competitors that do**



(European average: 53%)

**We struggle to find the skills in-house to get real value out of AI**



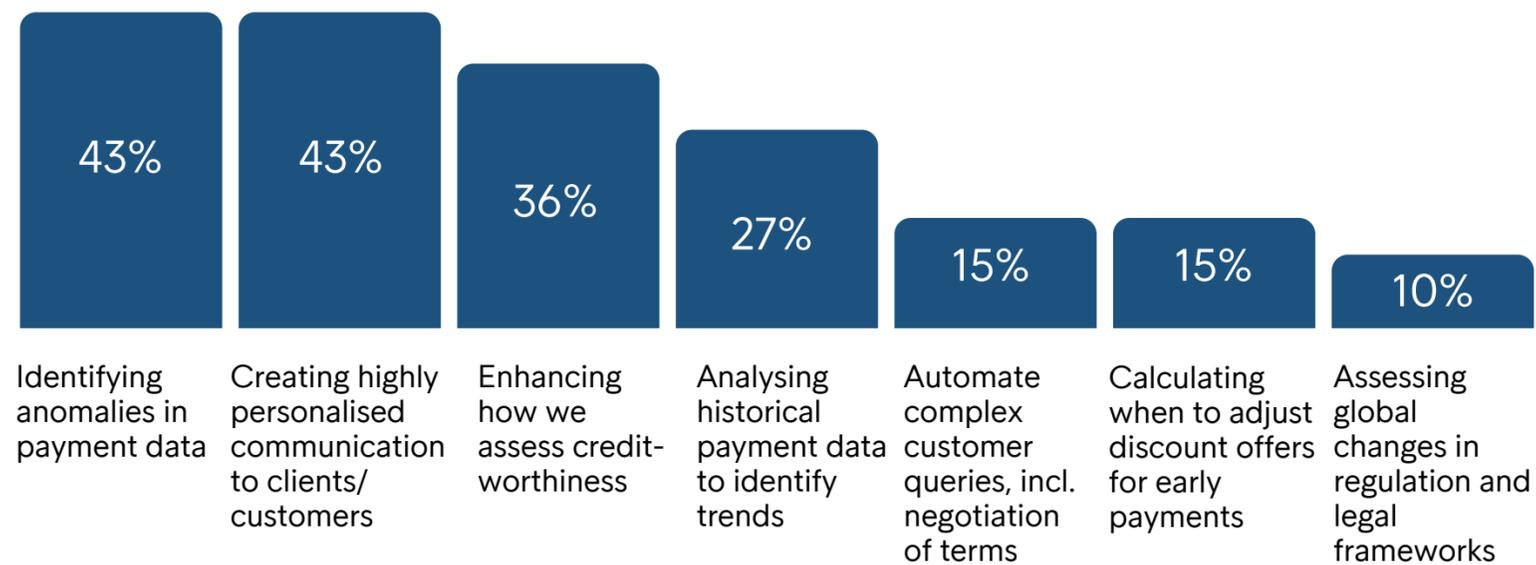
(European average: 53%)

**Advances in AI will significantly enhance our ability to manage late payments**

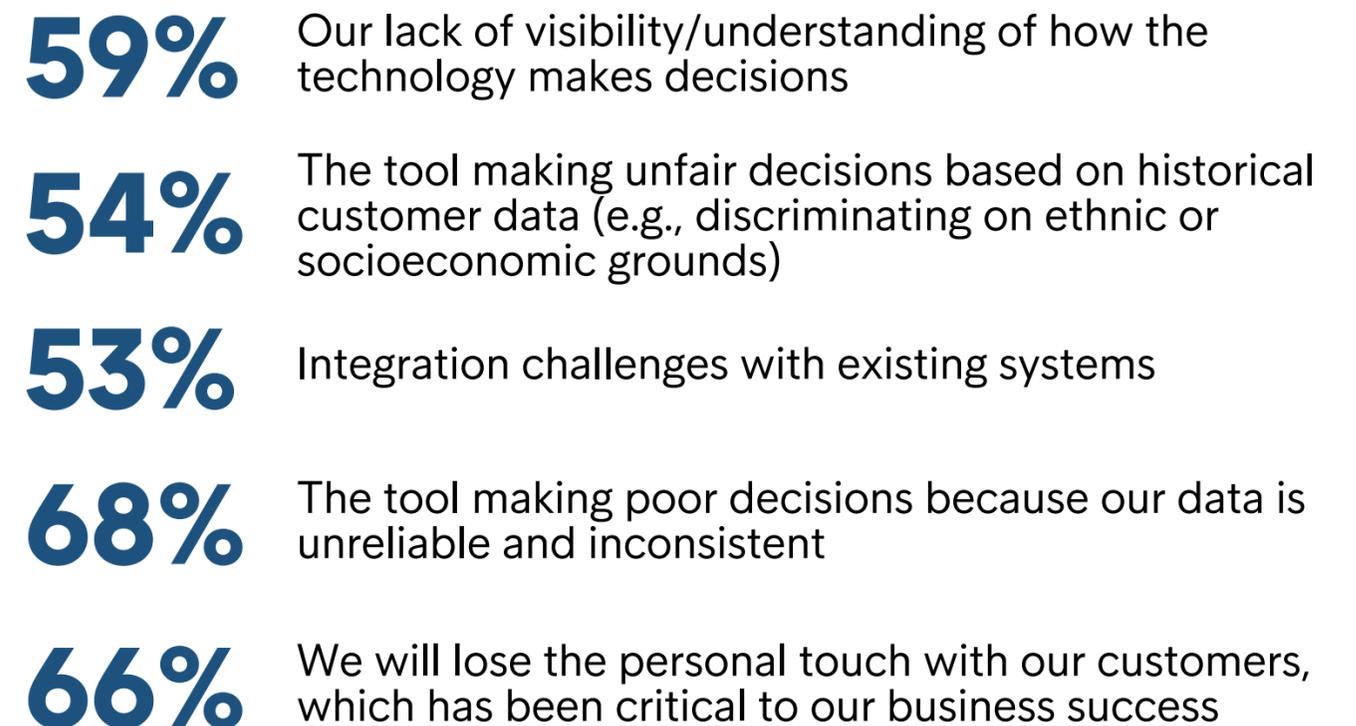


(European average: 53%)

What are the key potential benefits of using artificial intelligence ('AI', including generative AI as well as machine learning) as part of your management of late payments?



Which of the following do you consider to be viable risks when using AI as part of late payment management?



# Concluding remarks: What businesses can do next

## 1. Pivot from a downturn mindset to a new growth outlook

Economic uncertainty remains elevated, but Europe is moving closer to recovery. Rampant growth might still be some way off, and there are likely to be highs and lows along the way, but businesses that are stuck in a defensive stance could be left behind by more adventurous competitors.

It is right to remain mindful of risk, but now is the time to turn once again to innovation and transformation. Tomorrow's most exciting growth opportunities will be different from those of pre-crisis times, particularly as digital technology enables new businesses models. Organisations in the mid-2020s must reposition themselves accordingly.

## 2. Support a prompt payment culture

It is encouraging that businesses are becoming less concerned about bad debts hitting their cash flow and liquidity – but with insolvencies increasing, and the cost-of-living crisis continuing for millions of consumers, businesses cannot be complacent about late payments and defaults.

Organisations must also recognise that they themselves are an integral part of the payments flow. Their reluctance to pay invoices in a timely fashion – despite acknowledging the consequences of this behaviour – risks exacerbating a broader problem. Suppliers paid late may struggle to pay their own suppliers on time, and so on. Every organisation must do more to avoid this vicious circle.

## 3. Embrace AI but do not ignore the potential risks

AI offers a range of opportunities – both for business growth and in the back office, including in payments. No organisation can afford to ignore that: genuine use cases now give them the chance to generate significant competitive advantage.

But to do that businesses will need to invest in skills. That means recruiting to close their knowledge gaps, investing in training and development to upskill existing staff, or partnering with businesses such as Intrum that already use AI in their business processes. Part of the challenge will be to equip the organisation with enough expertise to deal with the very real risks that AI poses. Businesses cannot just ignore them.

# About the survey

The European Payment Report (EPR) provides insights into the payment behaviour of European businesses and examines trends related to late payments, invoice payment practices, and overall financial risk.

The EPR is a valuable resource for businesses, policy makers and analysts interested in understanding payment dynamics across Europe. It highlights the challenges and opportunities in managing receivables and cash flow, and provides recommendations for businesses to mitigate the risks associated with late payment and improve their financial performance.

## Data collection

Between 5 December 2023 and 12 March 2024.

## Research methodology

The research was conducted through telephone interviews and participation in an online survey (web questionnaire).

The questionnaire was translated into the local language.

## Countries

In 25 European countries: Austria, Belgium, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Norway, Poland, Portugal, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, The Netherlands and the United Kingdom.

## Target group

The target group for the survey include subject matter experts within finance departments in addition to c-level executives.

## Executives participating

9,255 across Europe | 240 in Switzerland

## Company size (Switzerland)

0 to 249 employees 72%

250 to 2,499 employees 19%

More than 2,500 employees 10%

## Industries represented

Banking & Financial services, Business Services. Retail, Construction, Energy & Utilities, Government & Public Sector, Hospitality & Leisure, Industrials & Chemicals, Insurance, Mining & Minerals, Pharma, Medical & Biotech, Real Estate, Technology & Media, Telecommunication and Transportation & Logistics

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