



# Atradius Payment Practices Barometer

International survey  
of B2B payment behaviour

Survey results for Greece

## Survey design for Western Europe

### Survey objectives

Atradius conducts annual reviews of international corporate payment practices through a survey called the “Atradius Payment Practices Barometer”. This report presents the results of the survey’s 2014 edition conducted in 14 countries across Western Europe. Using a questionnaire, Conclusr Research conducted a net of 2,969 interviews. All interviews were conducted exclusively for Atradius, without any combination of topics. Due to a change in research methodology for this survey, for some of the present results, no year-on-year comparison is feasible.

### Survey scope

- **Basic population:** companies from 14 countries were monitored (Austria, Belgium, Denmark, France, Germany, Great Britain, Greece, Ireland, Italy, Spain, Sweden, Switzerland, the Netherlands and Turkey). The appropriate contacts for accounts receivable management were interviewed.
- **Selection process:**
  - Internet survey: 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.
  - Telephone survey: companies were selected and contacted by telephone. A screening for the appropriate contact and for quota control was conducted at the beginning of the interview. Telephone surveys took place in Greece, Slovakia and Hungary.
- **Sample:** N=2,969 people were interviewed in total (approximately n=200 people per country). In each country a quota was maintained according to four classes of company size.
- **Interview:** Web-assisted personal interviews (WAPI) of approximately 15 minutes duration. Telephone interviews (CATI) of approximately 20 minutes duration. Interview period: 1st Q 2014.

### Sample overview – Total interviews = 2,969

Country	n	%
Austria	232	7.8%
Belgium	230	7.7%
Denmark	199	6.7%
France	206	6.9%
Germany	206	6.9%
Great Britain	212	7.1%
Greece	200	6.7%
Ireland	190	6.4%
Italy	221	7.4%
Spain	230	7.7%
Sweden	219	7.3%
Switzerland	202	6.8%
The Netherlands	224	7.5%
Turkey	208	7.0%
Industry	n	%
Manufacturing	653	22.0%
Wholesale / Retail / Distribution	797	26.8%
Services	1,519	51.2%
Business size	n	%
Micro-enterprises	965	32.5%
SMEs (Small/Medium enterprises)	1,669	56.2%
Large enterprises	335	11.3%

It may occur that the results are a percent more or less than 100% when calculating the results. This is the consequence of rounding off the results. Rather than adjusting the outcome so that it totalled 100%, we have chosen to leave the individual results as they were to allow for the most accurate representation possible.



## Survey results for Greece

### The greatest challenge to business profitability this year

Within the frame of an overall rebalancing of the economy, which is showing feeble signs of a modest recovery, the economic situation in Greece appears to be still very troubled. Growth is expected to return only in 2015. The reduction of the Greek government's debt burden, which was seen as unsustainable, has lessened the likelihood of an exit of the country from the Eurozone. However, government debt is on the rise, the banking system is still vulnerable, and structural reforms are still lagging behind. There are expectations of a gradual improvement in the insolvency environment.

After a 10% increase in 2013, business failure is expected to increase 5% in 2014. Against this backdrop, it comes as no surprise that most of the survey respondents in Greece (45.0%) are of the opinion that maintaining adequate cash flow remains one of the greatest challenges to business profitability this year. This percentage is the highest of the countries surveyed in Western Europe, and significantly higher than the average for the region (29.6% of respondents). All other challenges to business profitability examined in our survey (collection of outstanding invoices, fall in demand for products and services, and bank lending restrictions) generated far less concern from respondents in Greece.

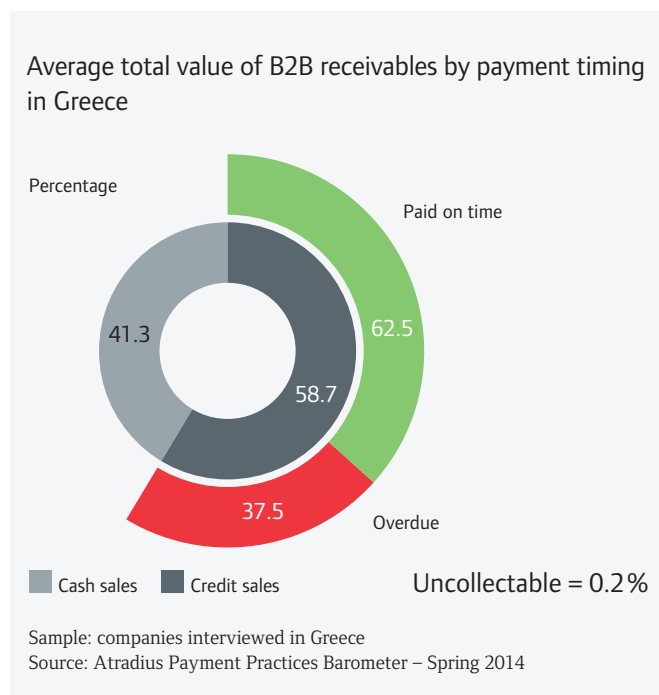


More information in the [Statistical appendix](#)

### Past due receivables

Greek respondents' concern about maintaining adequate cash flow this year reflects the trade-credit risk environment in the country. The overdue receivables of survey respondents in Greece average 37.5% of the total value of their B2B sales made on credit terms. Late payment of invoices was experienced most in the services sector and by micro-enterprises. On average, Greek respondents extend the longest payment terms of the countries surveyed (52 days from the invoice date compared to 32 days in Western Europe overall). However, respondents in Greece had to wait an additional 50 days to receive overdue payments from domestic customers (Western Europe: 23 days).

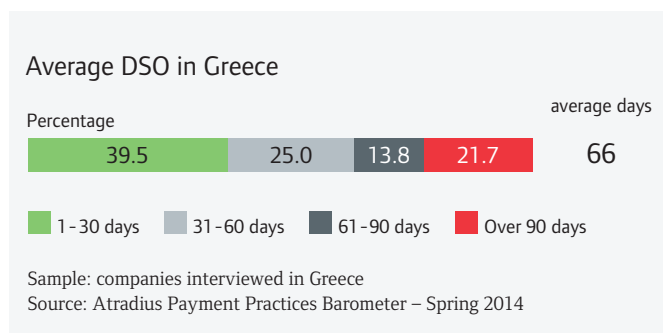
This is particularly the case for domestic payments received by respondents in the wholesale/retail/distribution sector and from SMEs.



More information in the [Statistical appendix](#)

### Days Sales Outstanding – DSO

The late payment of invoices of Greek respondents' B2B customers is reflected in the 66 days DSO recorded in the country. This is well above the 52 days average for Western Europe. The average DSO in Greece is highest in the manufacturing sector (75 days) and for SMEs (70 days). About 39% of the respondents in Greece reported a DSO ranging from 1 to 30 days; over 38% ranging from 31 to 90 days, and nearly 22% of over 90 days. This latter percentage is the highest in Western Europe, nearly twice as high as the survey average. Consistent with this, far fewer respondents in Greece than in Western Europe overall (34.6% vs. 51.0% respectively) become concerned about the sustainability of the business when DSO is 1 to 45 days longer than the average payment term. In fact, the highest percentage of respondents in the country (37.3%) aren't concerned about their DSO until it exceeds their average payment term by more than 90 days. This response rate is highest in Western Europe and nearly three times higher than the survey average (13.2% of respondents).



More information in the [Statistical appendix](#)

### Uncollectable receivables

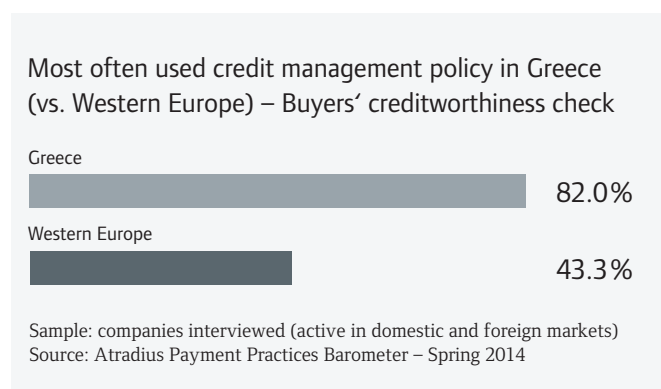
Late payments can be expensive for the seller. Whether done in house or through a collections agency, they cost time and money. In addition, you may incur additional financing costs on your own debts or miss opportunities to use your cash for other business development initiatives. What's more, the longer the receivables remain unpaid, the lower the likelihood of collecting them. Based on the responses in Greece, an average of 0.2% of the total value of respondents' B2B receivables was written off as uncollectable. 6.0% of the value of overdue receivables was unpaid within 90 days. This suggests that, on average, businesses lose just 3% of the value of their receivables that are not paid within 90 days. This is significantly lower than most other countries. While it could be an argument for extended payment terms and patience in collecting debts, it is more an endorsement of the importance of understanding the payment culture in the markets in which you are doing business.

### Main reasons for late payment from B2B customers

The trade-credit risk environment in Greece, as observed by survey responses, insolvency and payment default rates, highlights the importance of good credit management in the country. This starts with a good knowledge of potential customers' payment practices, as an incorrect evaluation may result in serious cash flow problems, threatening the financial viability of the business. For 77.0% of respondents in Greece (predominantly in the wholesale/retail/distribution sector and from SMEs) late payments from domestic B2B customers are most frequently due to a lack of liquidity. This percentage is the highest of the countries surveyed in Western Europe and significantly higher than the overall survey average of 46.6%. Conversely, late payments from foreign customers due to lack of liquidity appear to be experienced by respondents in Greece slightly less frequently than they are experienced by respondents in Western Europe (31.1% vs. 35.2% of respondents respectively).

### Credit management policies used by respondents

In order to reduce the impact that payment defaults and bad debts from B2B customers have on cash flow, it is important to use effective credit management practices. 20.2% of the respondents in Greece reported using one or more credit management tools. This is the lowest percentage in Western Europe where on average of 59.2% of respondents use at least one credit management tool. The most frequently used credit management tool in Greece is checking the creditworthiness of the buyer. This is used by 82.0% of the respondents (most often in the wholesale/retail/distribution sector and by SMEs). Not surprisingly, in the current economic environment in Greece, over 65.0% of respondents reported selling on cash terms; twice that of Western Europe overall (average for Western Europe: 31.0% of respondents).



More information in the [Statistical appendix](#)

If after reading this report you would like [more information about protecting your receivables against payment default](#) by your customers you can visit the Atradius website or if you have more specific questions, [please leave a message](#) and a product specialist will call you back.

## Statistical appendix

The [Statistical Appendix](#) to this report is part of the Spring 2014 Payment Practices Barometer of Atradius (survey results for Western Europe) available at [www.atradius.com/Publications/Payment Practices Barometer](http://www.atradius.com/Publications/Payment Practices Barometer). This appendix is available for download in PDF format (English only).

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

[info@atradius.com](mailto:info@atradius.com)  
[www.atradius.com](http://www.atradius.com)