

Atradius Payment Practices Barometer 2024

# B2B payment practices trends in North America (USMCA)

How companies manage B2B payment risk  
and its impact on cash flow





## 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 North America (USMCA).

The survey was conducted between the end of Q2 and the beginning of Q3 2024. The findings should therefore be viewed with this in mind.





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# North America (USMCA)

## B2B payment risk management

### B2B payment delays strain cash flow of North American business

Companies across North America report a mixed verdict on the payment behaviour of B2B customers compared to the previous year. 49% of businesses, particularly in Mexico, tell us there has been no significant change in B2B payment behaviour, while one-third of companies, notably in the US, report quicker invoice payments. In contrast, Canadian businesses most often note a deterioration. Overall, cash flow challenges remain a major concern, with late payments and bad debts impacting on financial stability and operational capacity. On average, almost half of all B2B invoices are currently overdue, and bad debts affect an average 6% of all B2B credit sales. Companies in the US appear to be hardest hit.

Customer cash flow issues contribute significantly to these payment delays for almost one-third of companies in the region, primarily in Mexico. Administrative challenges faced by B2B credit customers in their payment processes are cited as the main reason for late payments, particularly among US businesses. The response of 35% of companies across North America to poor payment practices is to delay payments to their own suppliers. Deferring investment plans is another popular strategy, especially among businesses in Canada. To optimise working capital, around 55% of companies in our survey focus on maintaining debt collection efficiency, with the effect of stabilising Days Sales Outstanding (DSO). Mexican businesses report improvements in DSO, but there is deterioration in Canada.

Our survey finds an increase in B2B sales being transacted on credit among companies in North America, especially in Canada. Currently, around 45% of all B2B sales are made on credit, a trend which reflects a balanced approach by businesses aimed at safeguarding financial stability while pursuing sales growth and maintaining competitive advantages. This strategy is particularly emphasised by US companies. The shift towards increased trading on credit is complemented by a steady payment policy, with payment periods averaging around 30 days from invoicing in both the US and Canada. Companies in Mexico, however, tend to maintain more relaxed payment policies.

Another significant trend evident in our survey of North American companies is that many are shifting away from a policy in-house retention and management of customer credit risk. This approach involves setting aside funds for potential losses from payment defaults, but leaves idle reserves and may not in any case be enough to cover large write-offs.

### Key figures and charts on the following pages

### Key survey findings

- A varied outlook on B2B customer payment behaviour is found in our survey of North America. 49% of companies indicate no significant change, especially in Mexico. One-third of businesses report quicker invoice payments compared to the previous year, notably in the US. Deterioration is most often noted in Canada.
- Late payments currently affect, on average, around half of all invoices issued by North American businesses in B2B trade. Bad debts stand at an average of 6% of all sales transacted on credit with B2B customers, with US companies appearing to be hardest hit.
- The main reason cited for late payments is administrative challenges faced by B2B credit customers in their payment processes, especially in the US. Customer cash flow issues also contribute significantly to payment delays for almost one-third of companies, primarily those in Mexico.
- 35% of businesses across North America, particularly in the US, respond by delaying payments to their own suppliers, despite the risk of a domino effect. Deferring investment plans is another strategy, especially in Canada. To optimise working capital, around 55% of companies focus on maintaining efficiency in their debt collection processes to stabilise Days Sales Outstanding (DSO).
- Approximately 45% of all B2B sales by North American companies are currently transacted on credit, an increase on the previous year, notably in Canada. This trend towards more open trade credit policies is complemented by a steady payment policy, with payment periods averaging around 30 days from invoicing.
- A significant trend shows many businesses are moving away from retaining customer credit risk in-house to explore more diversified approaches. This includes tools like trade credit insurance, which is used by around 40% of Canadian and Mexican companies, compared to 23% in the US. Factoring is also popular in Canada.

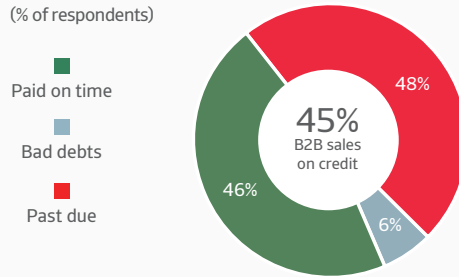
Companies are now exploring more diversified approaches, including tools like trade credit insurance. This is used by around 40% of businesses in Canada and Mexico, compared to 23% in the US. Factoring is also popular in Canada, where 46% of companies use it as a complement to trade credit insurance.



# North America (USMCA)

## B2B payment practices trends in the USMCA

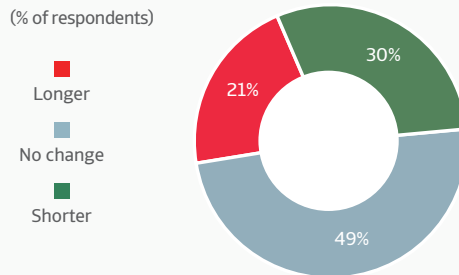
% of B2B invoices paid on time, past due and bad debts



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

## B2B payment practices trends in the USMCA

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

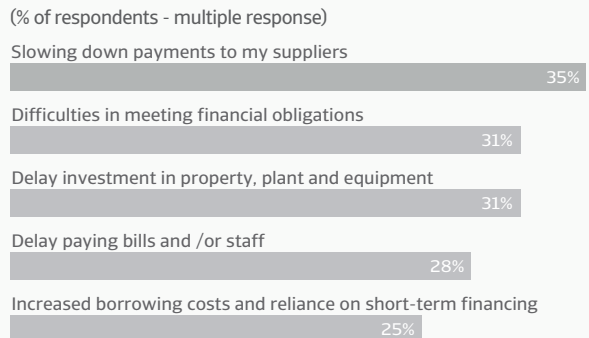


\*average amount of time to get paid from B2B customers

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

## B2B payment practices trends in the USMCA

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 USMCA – 2024

## B2B payment practices trends in the USMCA

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

- 57% Trade credit
- 52% Invoice financing
- 49% Bank loans
- 25% Internal funds

(% of respondents - multiple response)

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



# North America (USMCA)

## Looking ahead

### Economic woes and uncertain insolvency trends cloud North American business outlook

A clear diversion of opinion on the crucial issue of the outlook for insolvencies is evident among businesses in North America. 48% of the companies in our survey, primarily those in Canada, tell us they anticipate an increase in insolvencies during the year ahead, worried that economic pressures will lead to a higher rate of business failures. In contrast, 49% of businesses, mainly in Mexico, expect no deterioration of the insolvency landscape. The prospects for Days Sales Outstanding (DSO) appear more positive, with 45% of companies in North America expecting debt collection efficiency to remain stable. 38% of businesses, notably in the US, anticipate improved DSO in the coming months, and only a minority fear deterioration.

Optimism is also evident in our survey of North America about the outlook for B2B customer payment behaviour and sales growth. 41% of companies, particularly in Canada, anticipate that B2B payment practices will remain stable during the year ahead, while there is even more positivity among businesses in the US, who expect an improvement in future customer payment behaviour. In addition, 67% of companies anticipate a surge in demand for their products and services during the coming months, notably in Mexico. A little more caution is expressed about the prospects for profitability, with only 48% of businesses maintaining positive expectations about improved profits in the year ahead.

Economic uncertainty may be one of the factors behind this relative caution. Among the major concerns looking ahead for businesses in North America is a slowdown in their domestic economies, especially in the US, which they fear may have a negative impact on financial health. Another widespread worry for companies across the region is the issue of adopting sustainable business practices and complying with complex environmental regulations. This is particularly felt in Canada. Cybersecurity threats are also an increasing anxiety across many industries, notably the chemicals sector. Safeguarding against risks that can disrupt operations, compromise data integrity, and lead to financial loss, is crucial.

Several other concerns are expressed by companies in North America, for both the short-term and long-term. One clear issue is that of market saturation, which can limit growth potential and erode profit margins as businesses struggle to capture new customers amid heightened competition. This anxiety is particularly voiced by

### Key figures and charts on the following pages

### Key survey findings

- There is a split among North American businesses about the outlook for insolvencies. 48% of companies, primarily in Canada, anticipate an increase in insolvencies during the coming months. In contrast, 49% expect the insolvency trend to remain stable, especially in Mexico.
- Days Sales Outstanding (DSO) is expected to see no significant change in the year ahead by 45% of companies in North America. 38% of companies tell us they anticipate improved debt collection efficiency during the coming months, notably in the US. A minority, mostly in Canada, foresee a worsening of DSO.
- 41% of companies, particularly in Canada, anticipate stability in B2B customer payment behaviour in the months ahead. Many businesses in the US say they expect an improvement in payment practices, with a consequent positive impact on debt collection efficiency.
- A surge in demand for their products and services is expected by 67% of companies across North America, with optimism particularly evident in Mexico. Despite this, only 48% of businesses are positive about the prospect of improved profitability in the year ahead.
- The main concern looking ahead for businesses in North America is the state of their domestic economies, especially in the US. Environmental and sustainability issues are also a widespread worry, notably in Canada, while cybersecurity threats are another significant anxiety across many industries.
- Several other issues are also causing anxiety for North American companies, both in the short-term and long-term. These include market saturation and its negative impact on growth potential, a worry in the US and Canada. Financial constraints are a further pressing challenge, many businesses experiencing a lack of working capital.

companies in the US and Canada. Financial constraints are also causing widespread worry as businesses experience lack of working capital and difficulty in accessing finance. Insufficient cash flow is a critical concern because it hampers the ability to cover operational costs and invest in new projects. All these factors create a complex and challenging environment for North American businesses, necessitating strategic adjustments and innovative solutions to navigate these pressures and ensure long-term success.

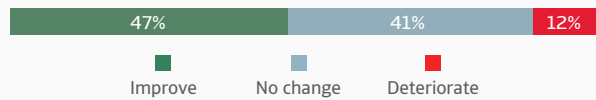


# North America (USMCA)

## B2B payment practices trends in the USMCA

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

(% of respondents)

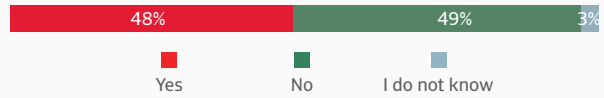


Sample: all survey respondents  
Source: Atradius Payment Practices Barometer United States – 2024

## B2B payment practices trends in the USMCA

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

(% of respondents)

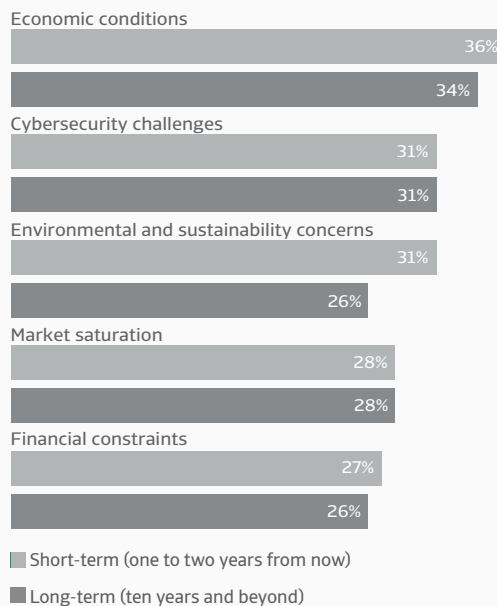


Sample: all survey respondents  
Source: Atradius Payment Practices Barometer United States – 2024

## B2B payment practices trends in the USMCA

Looking ahead: top 5 concerns expressed by businesses polled

(% of respondents - multiple response)



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

## B2B payment practices trends in the USMCA

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

- 38% Improve
- 45% No change
- 17% Deteriorate

(% of respondents)

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

## Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in North America (USMCA) 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 687 interviews in total.

All interviews were conducted exclusively for Atradius.

### Survey scope

- **Basic population:** Companies from North America (USMCA) 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:** 687 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 Q2 and the beginning of Q3 2024. The findings should therefore be viewed with this in mind.

### Sample overview – Total interviews = 687

Business sector	Interviews	%
Manufacturing	326	48
Wholesale trade	243	35
Retail trade/Distribution	74	11
Services	44	6

**TOTAL** **687** **100**

Business size	Interviews	%
SME: Small enterprises	130	19
SME: Medium enterprises	230	34
Medium Large enterprises	215	31
Large enterprises	112	16

**TOTAL** **687** **100**

Industries	Interviews	%
Agri/Food	161	23
Chemicals/Pharma/Energy Fuel	187	27
Consumer Durables	86	13
Electronics/ICT	94	14
Steel/metals	87	12
Automotive	72	11

**TOTAL** **687** **100**

### Methodological note

Last year different industries were included in the survey for North America (USMCA). This makes year-on-year comparisons unfeasible for certain topics for the current year. For a detailed overview of last year's survey results please refer to the specific report available on the [Atradius website](#).

## 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 North America (USMCA) and worldwide, please visit [atradiuscollections.com](http://atradiuscollections.com).



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Atradius

Atradius  
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)  
[atradius.com](http://atradius.com)