INDUSTRY

- Construction of the civil engineering projects n.e.c
- Engineering related scientific and technical consulting activities
- Manufacturing company
- Operating of own or leased real estate
- Other professional, scientific and technical activities n.e.c.
- Renting and leasing of other machinery, equipment and tangible goods n.e.c.
- Sale of used cars and light motor vehicles
- Solicitors
- Specialist medical practice activities
- Wholesale business

According to VendorMach data, yes industry matters when it comes to collecting receivables. VendorMach sorted through 13,000 UK private companies records with trade debtor receivables data in its database. After filtering for companies with revenue, excluding firms with 30 days payment or less (best practice) and further standardizing the industries, we were left with 1500 records to analyze and **the top 10 B2B industries with a penchant for getting paid very late.** Of the 1500 records, the median DSO (days sales outstanding - the number of days it takes to collect receivables) was used. To further provide context with the data, the P&L per industry was summed to provide for volume of sales in an industry segment and or less observations in one industry segment. We found the following:

- **Wholesale businesses had the most DSO at 141 days.** It takes them almost 5 months to collect their receivables. These businesses have some complex operations with wholesale of food, machinery and equipment.

- **To our surprise, Solicitors (legal services) were paid late. At 125 days, it takes them about 4 months to collect those invoices.** If you notice as well, from their collective P&L, there are less of them with trade receivables, yet when they have such receivables, the time to collect is very high. This may have to do with their billing model - time based service activity where services rendered may not be so clear or is disputed.

- **Next on the list of getting paid late, Construction and Manufacturing companies at 104 and 96 days** respectively. We expected these companies to have high DSOs as they are typical supply chain companies.

- **Those selling used cars and light vehicles were next on the list at 82 days.** That's just shy of three months to collect their invoices.

- **Renting and leasing of machinery and equipment came in at 68 days** as expected - high DSOs.

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- **Operating owned or leased real estate came in at 65 days.** Not so bad considering the amount of P&L. Yet still over 2 months to collect payments. This industry tends to be better leveraged than the others (they have collateral).

- **Professional scientific and technical and Specialty medical practices came in next at 64.5 days respectively.** Specialty medical practices while not so much of a surprise to us, can struggle with payments. We know across the atlantic - it's much worse. In the UK, private/specialty medical practices may not be so good at collecting payment - they have to either wait for insurance to come through or await the balance of services from customers.

- **Lastly, Engineering related scientific and technical companies had just 48 days** to collect payment, comparatively good compared with the rest.

To further visualize our findings, we used the block chart below to express the relationship between combined P&L per industry segment and median DSO in that industry. As you can see - Manufacturing, Real Estate and Construction, are typical supply chain businesses as shown in their P&L (exemplified by the deep blue color) , others (exemplified in light blue) in professional services firms (smaller businesses), struggle with late payments.