



**Financial health as a priority  
Increasing attention  
to DSO and credit  
management process**

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# Introduction

Economic fluctuations over the past year increased the likelihood of bills becoming outstanding. This caused finance professionals not only to monitor Days Sales Outstanding (DSO) more closely than ever, but also to increase their focus on ways to improve their credit management process, for example by using new technologies. We asked more than three hundred CFOs, finance managers and finance employees what other opportunities and challenges they see in the credit management process.

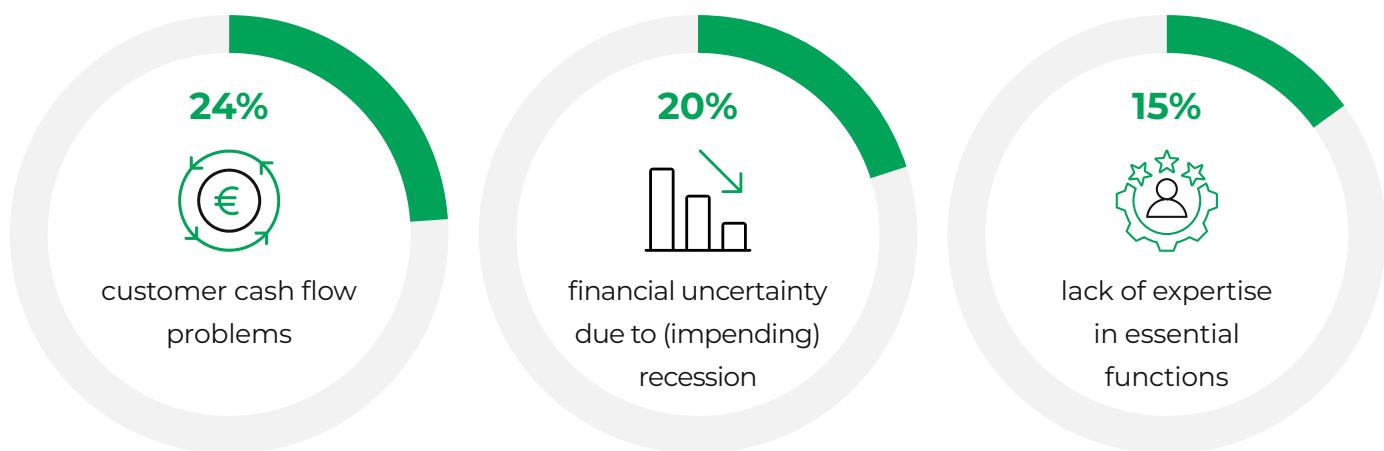


# The DSO under the microscope

A healthy DSO ensures sufficient cash flow for an organisation. **41 percent** of the companies represented in the study seem to have little to worry about this as they recorded a DSO lower than 30 days. Nevertheless, **twelve percent** of organisations are experiencing alarmingly high DSO, with a duration of more than forty days. The most concerning part is that **72 percent** of finance professionals expect DSO to remain the same or increase in 2024. So, unsurprisingly, one-third of the professionals surveyed (**33%**) said they intended to focus more on lowering the DSO.

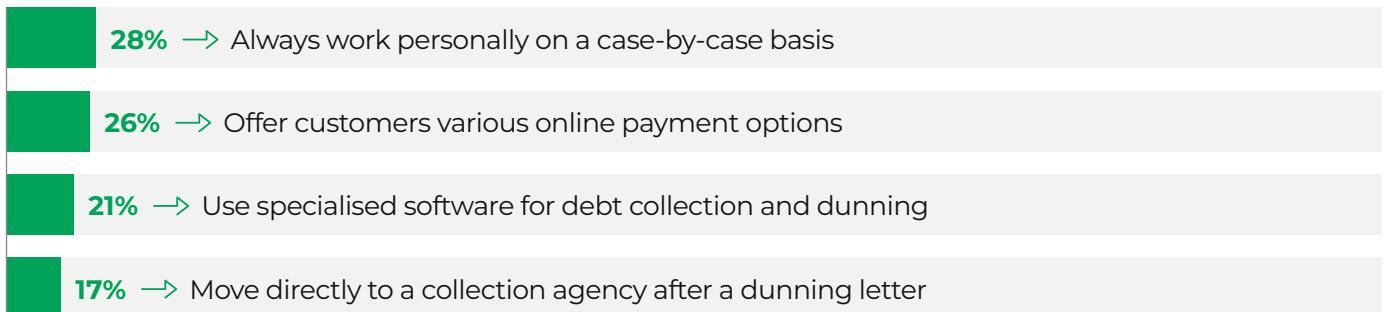
## Prioritising personal approach

The DSO increases when customers do not pay their invoices (on time). But why won't they pay? Here are a few reasons that finance professionals specified:



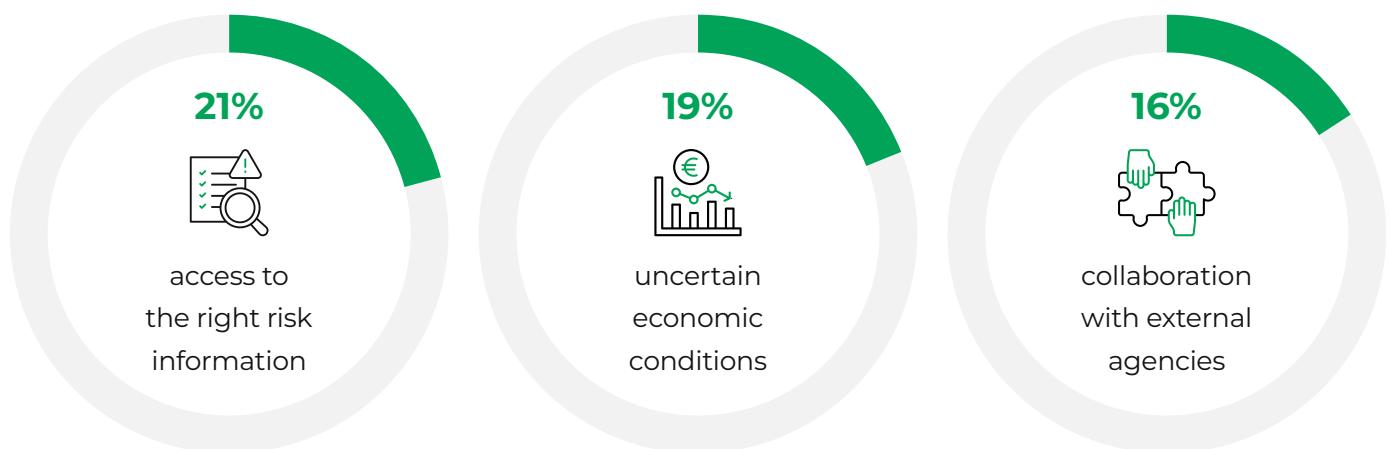
Understanding the reasons why customers do not pay their invoices on time enables companies to take respective measures. Most organisations (**28%**) opt for the personal approach here, contacting customers face-to-face, by phone or email. In addition, they may offer a range of online payment options (**26%**) to increase customers' ease of payment. Moreover, finance professionals often rely on software for support: one in five (**21%**) use specialised software for collection and reminders, making the management and follow-up of outstanding invoices more efficient and streamlined.

## Approach to non-paying customers:



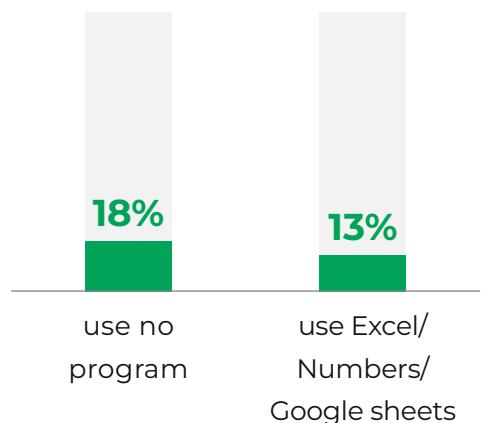
## Improving the credit management process

An effective credit management process ensures that customers continue to pay their invoices on time not only now, but also in the future. However, finance professionals face several challenges in taking this process to the next level. The biggest obstacles are:



## The power of credit management software

Despite automation being known for bringing efficiency, **thirteen percent** of the professionals reported a lack of the right technology or automation hindering their credit management process. Fortunately, nearly half of the organisations represented in the research (**47 percent**) already use ERP systems, and **21 percent** use dedicated credit management software for accounts receivable management. The rest opt for more manual options for accounts receivable management, which have proven to be more error-prone:

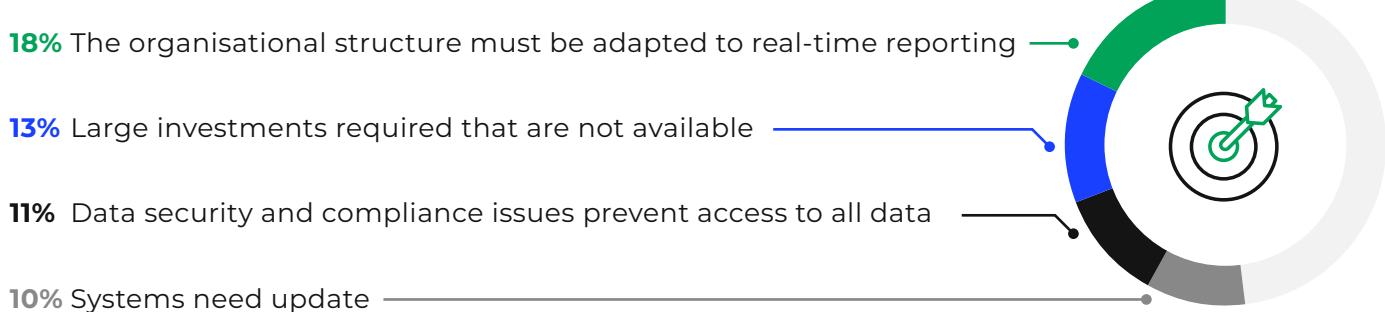


# On the road to real-time financial insight

Manually maintaining accounts receivable management often means no real-time insight into financial data, which is surprising for 2024. In fact, real-time reporting enables organisations to respond quickly to changing market conditions and helps identify business opportunities. However, only **37 percent** of organisations still have access to real-time data for reporting, which results in only **8 percent** reporting financial data in real time.

Switching to real-time reporting is not easy, finance professionals note. The main obstacles for organisations in implementing real-time reporting are the adjustment of organisational structure (**18%**), excessive investment (**13%**), as well as data security and compliance issues (**11%**).

## Challenges on the road to real-time reporting:



## Financial health as a priority

Effective credit management is critical to the financial health of an organisation. But the improving economic situation should not mean less focus on this. Indeed, challenges such as access to real-time data and lack of technological support remain a concern. It is therefore essential that organisations invest in advanced tools for automation, enabling finance professionals to make informed and data-driven decisions. Not just for today, but also for tomorrow.

## About the survey

Every year, Onguard surveys how finance professionals view current trends and developments, such as financial technologies, digital transformation, AI and new payment methods. This survey, entitled the FinTech Barometer, was conducted for the seventh time this year. 304 finance professionals participated in the survey. Of these, 212 work in finance management and 92 work as finance professionals

## About Onguard

Onguard accelerates payments and improves cash flow for companies through smart credit management. Our solutions give you insight into payment behaviour, minimise financial risks and improve communication about unpaid invoices. The result? Faster payments, less write-offs and lower customer turnover. With more than 30 years of experience, we facilitate optimised working capital and provide you with valuable time with your customers by handling daily activities.

Onguard is a Visma company with more than 30 years experience in facilitating optimised working capital through smart credit management. Bottom line, we provide quality time with your customers by handling the day-to-day operations.

## Want to know more?

Do you have questions about this solution or how you can optimise the credit management process within your organisation? Please contact us, we're happy to help you.

Call us:

+31 (0) 88 256 66 66  
+44 (0) 20 396 683 24

Email us:

[contact@onguard.com](mailto:contact@onguard.com)