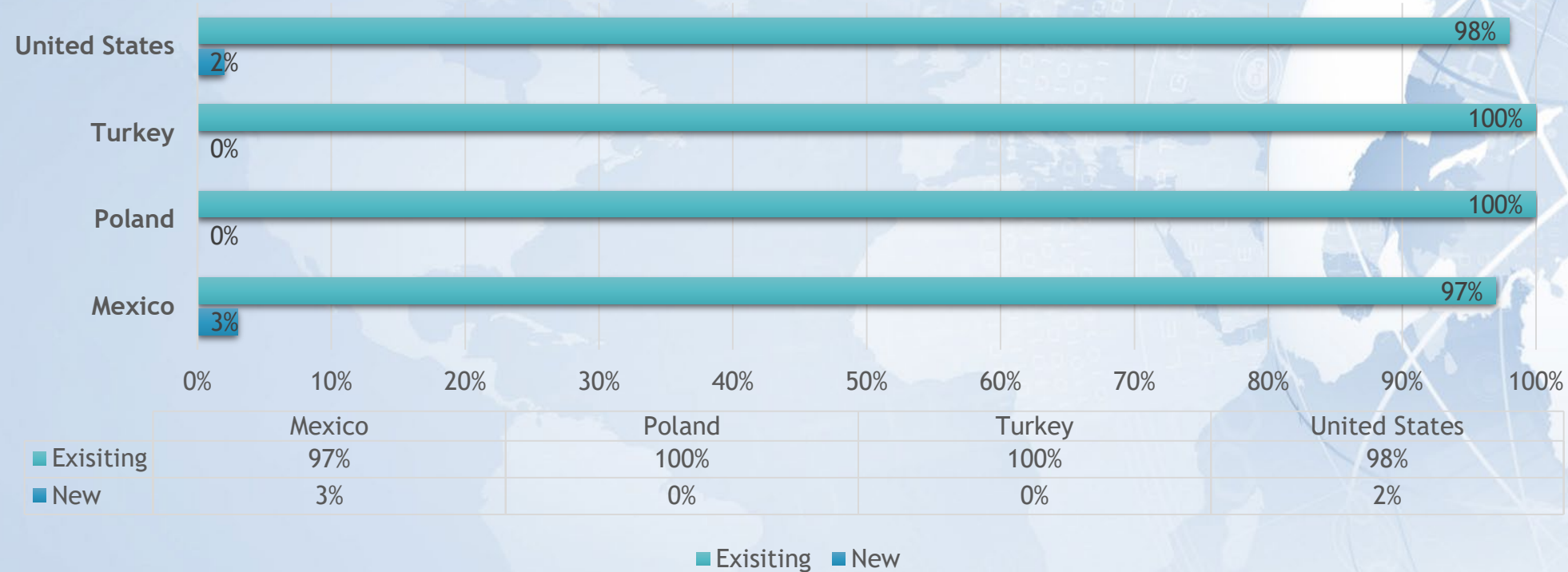


October 2024

FCIB Credit & Collections Survey

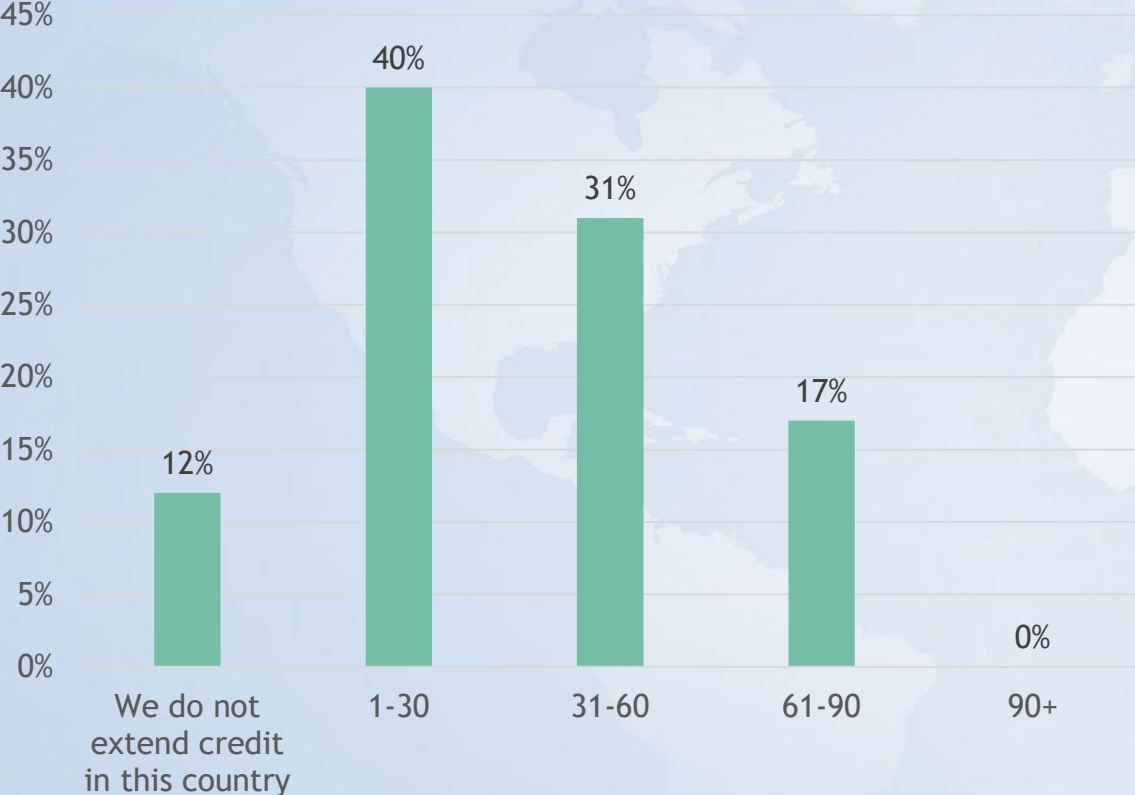
Mexico, Poland, Turkey, United States

Are your sales primarily to new or existing customers?

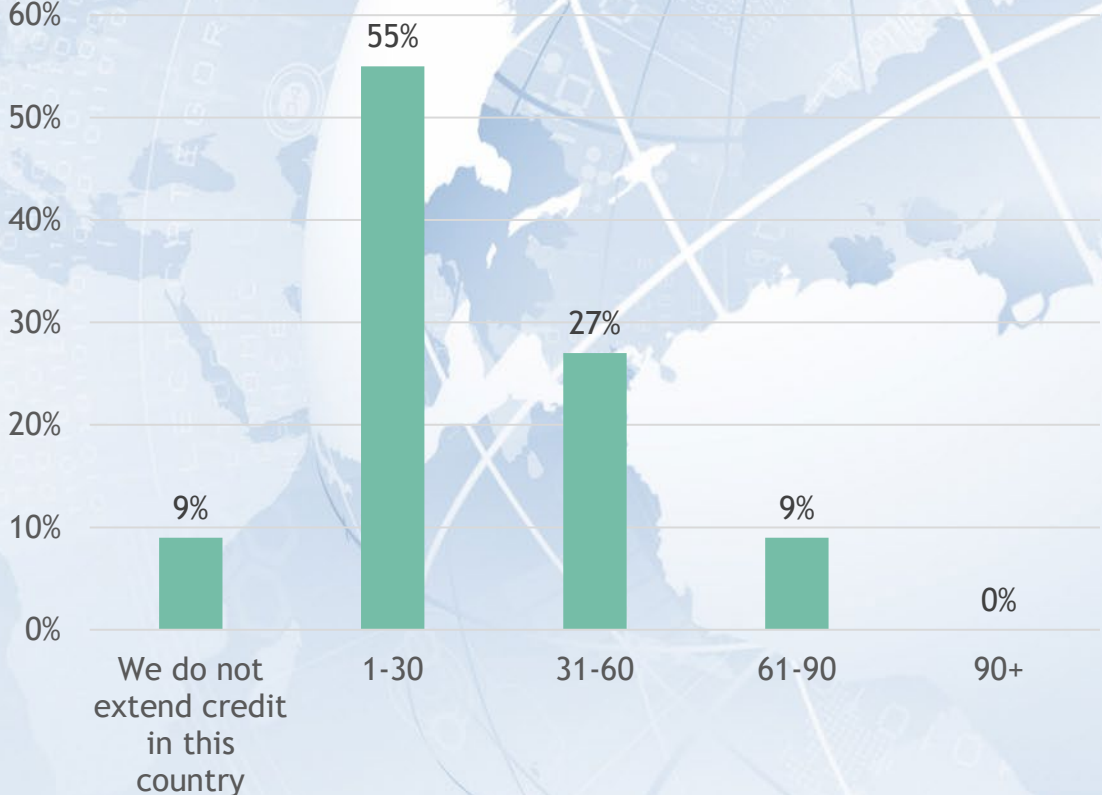


On average, what payment terms are you granting?

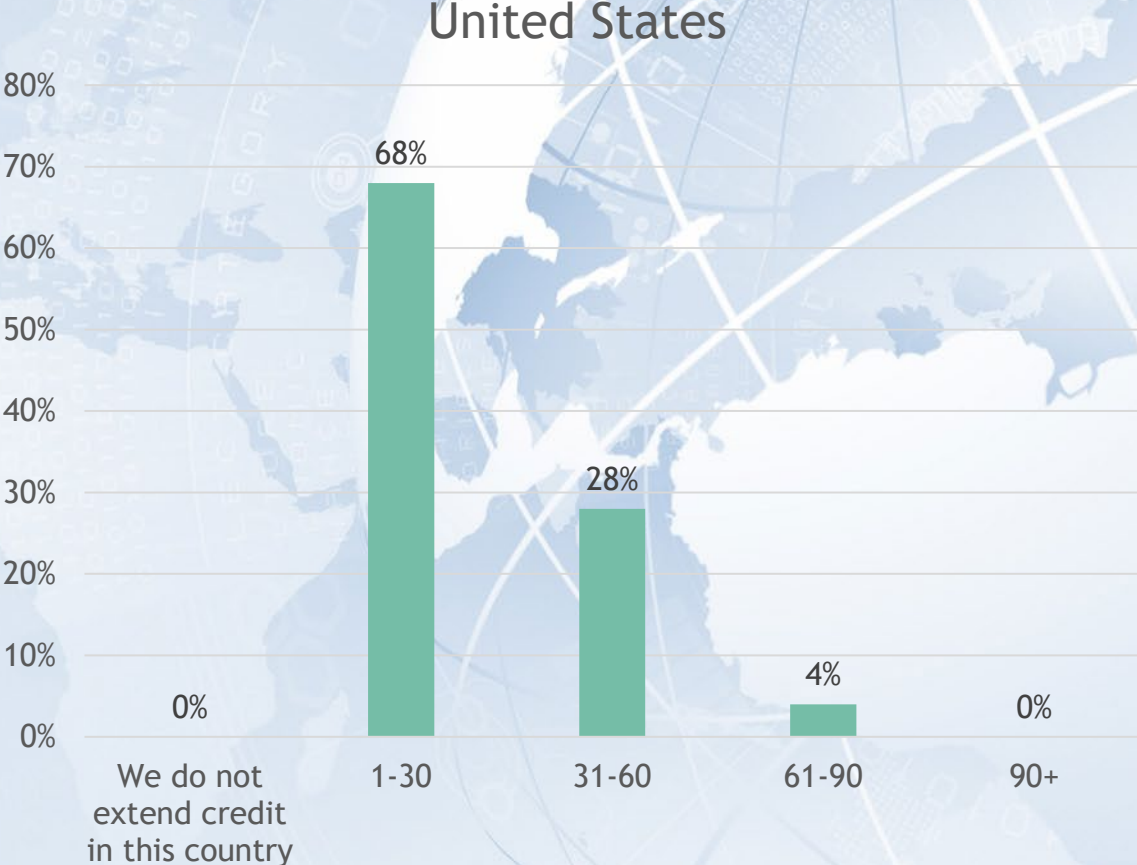
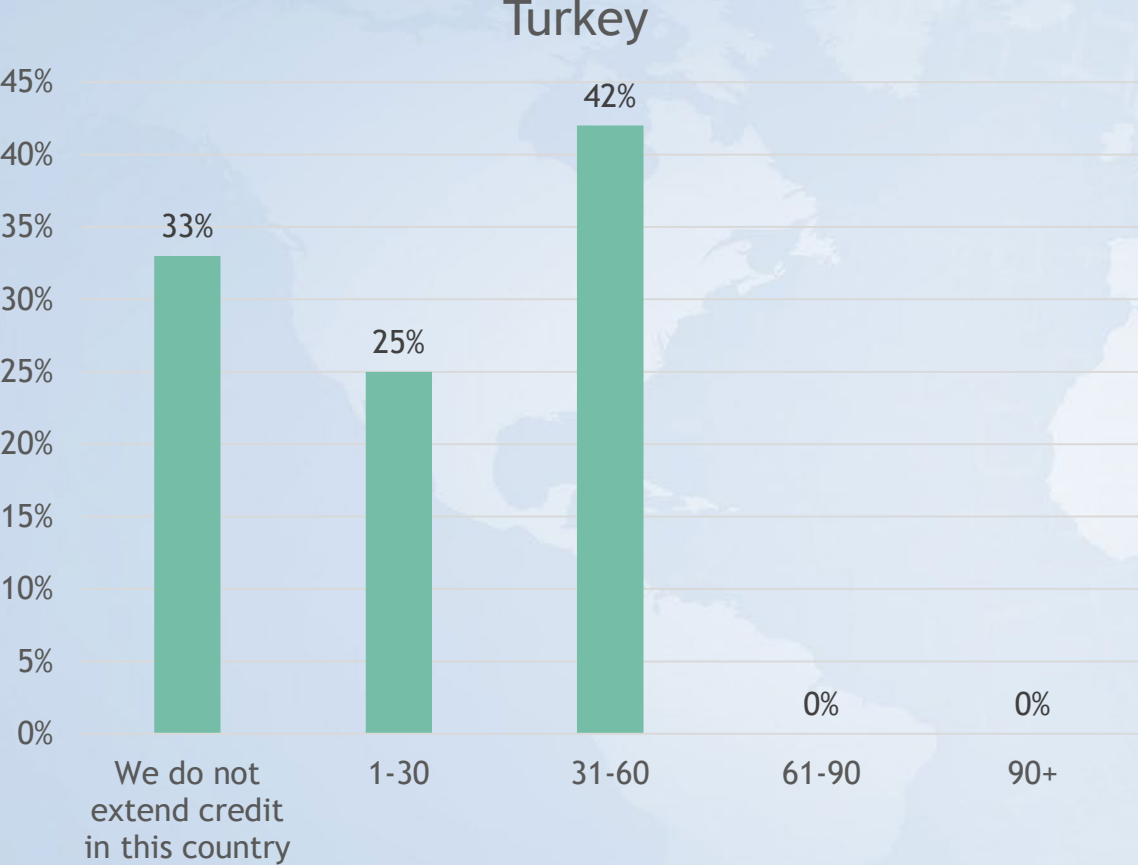
Mexico



Poland



On average, what payment terms are you granting?



What is the average number of days beyond terms in these countries?

Mexico

17

Poland

10

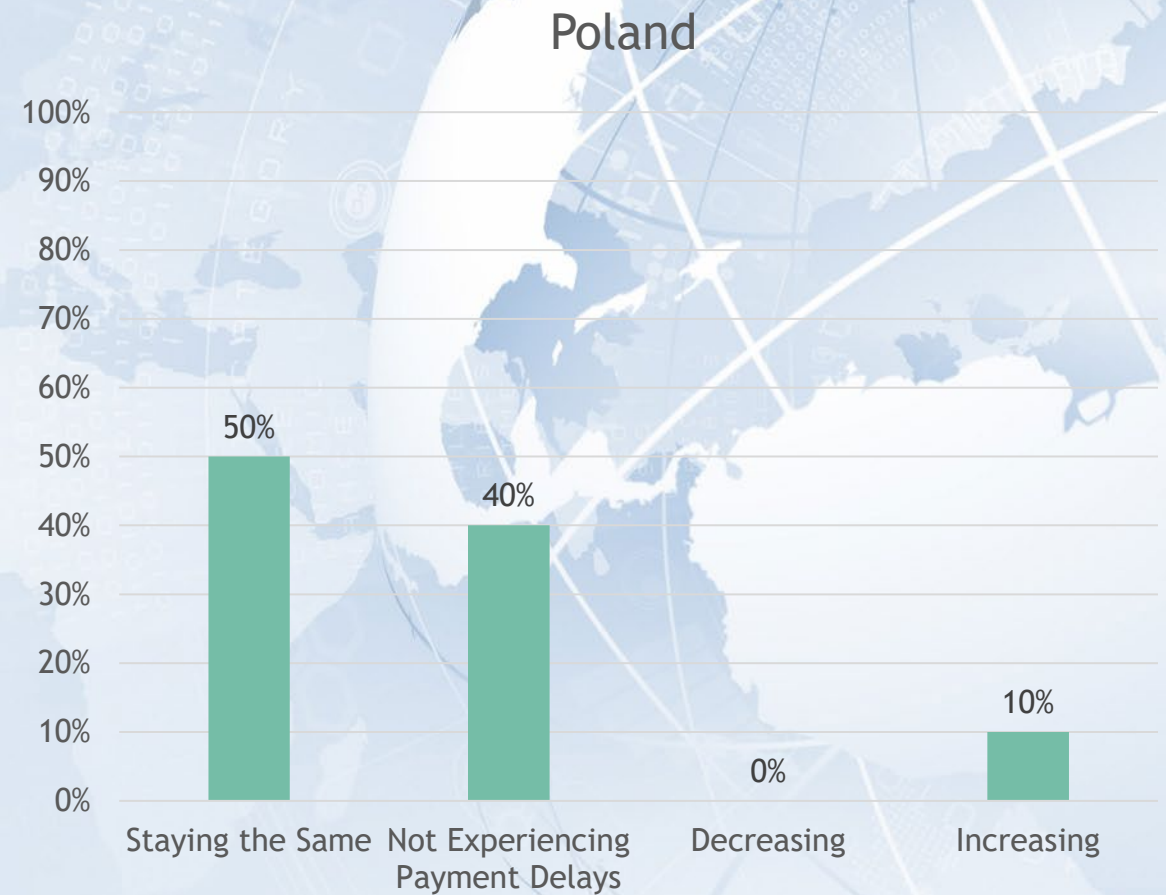
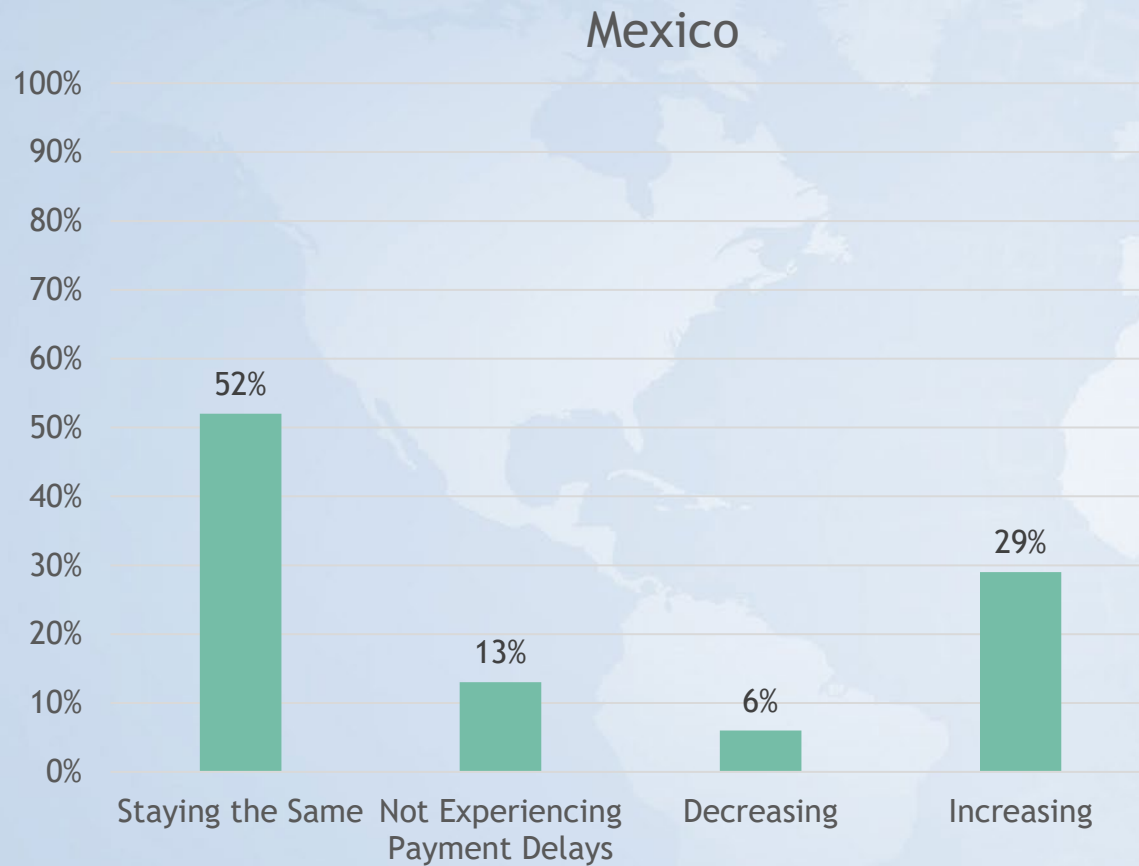
Turkey

16

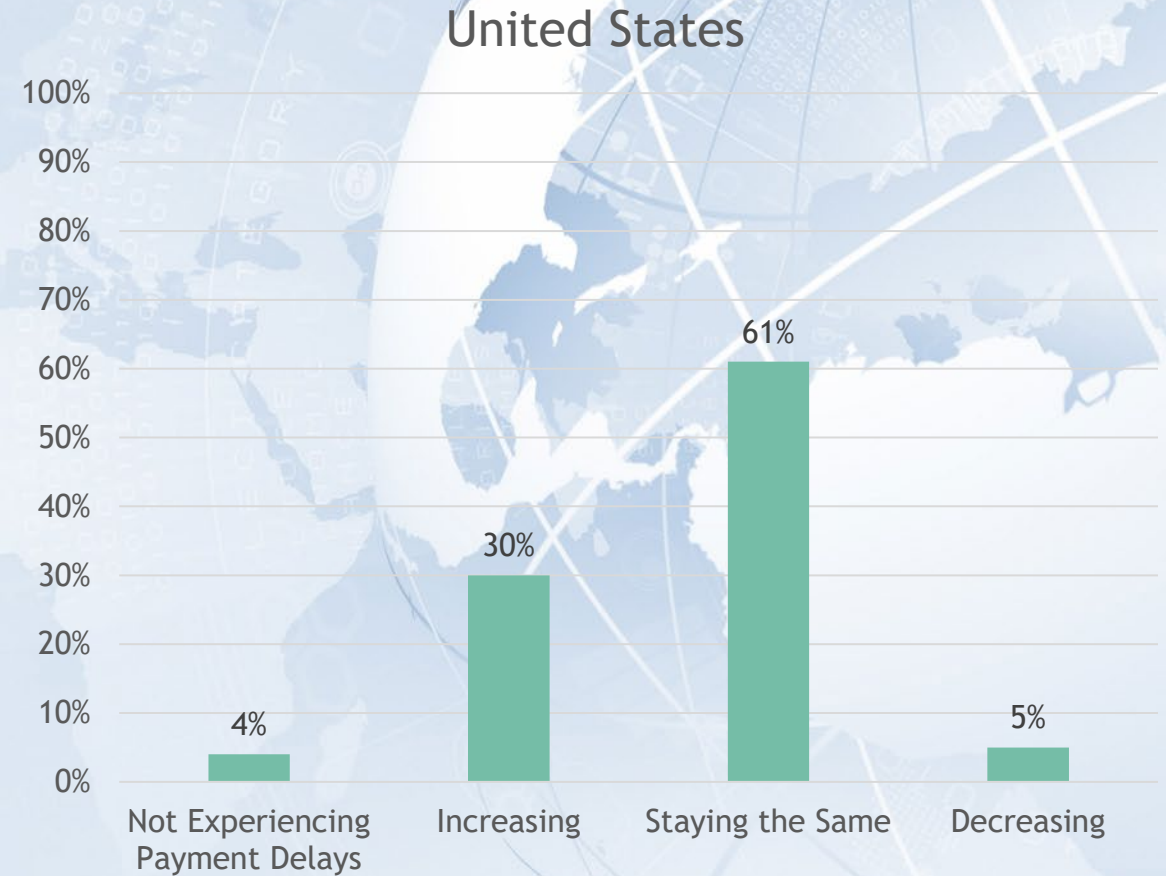
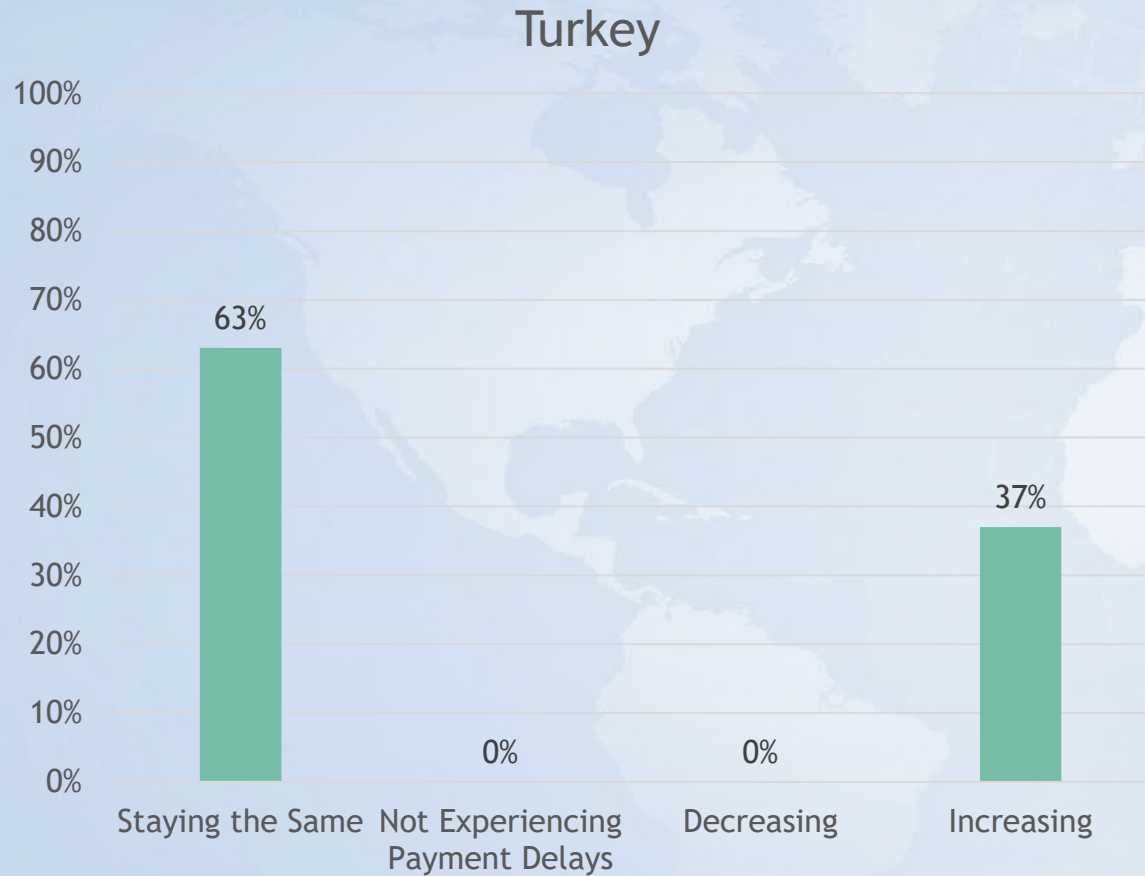
United States

18

Are payment delays increasing, decreasing, or staying the same?

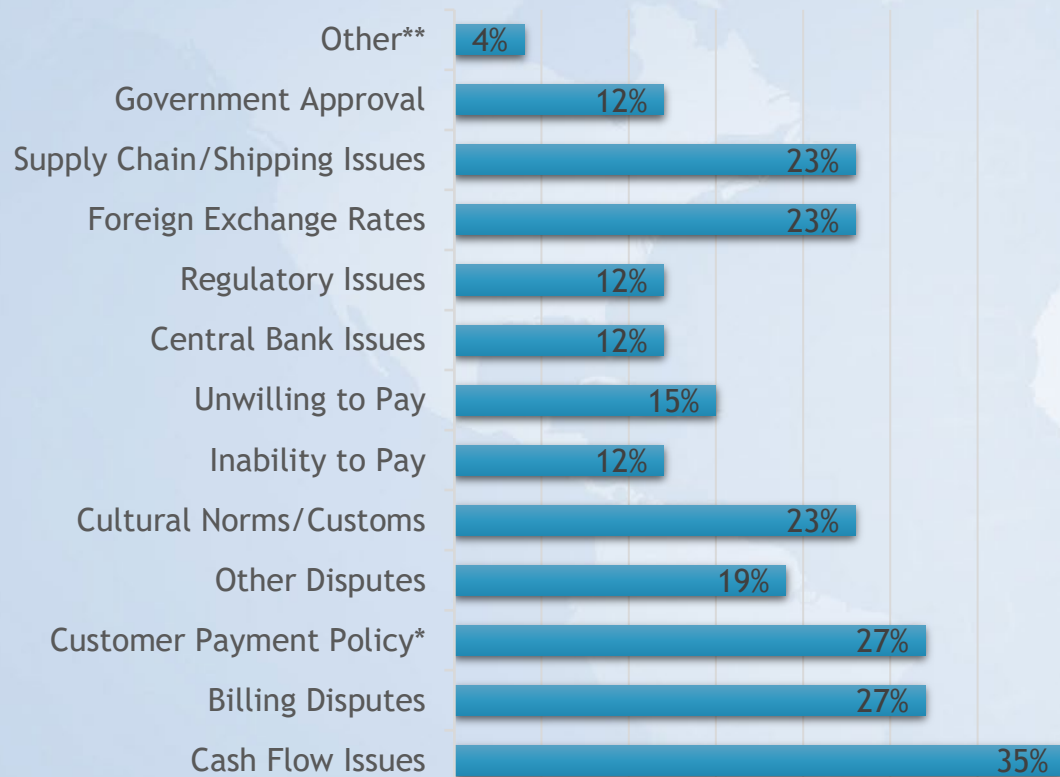


Are payment delays increasing, decreasing, or staying the same?

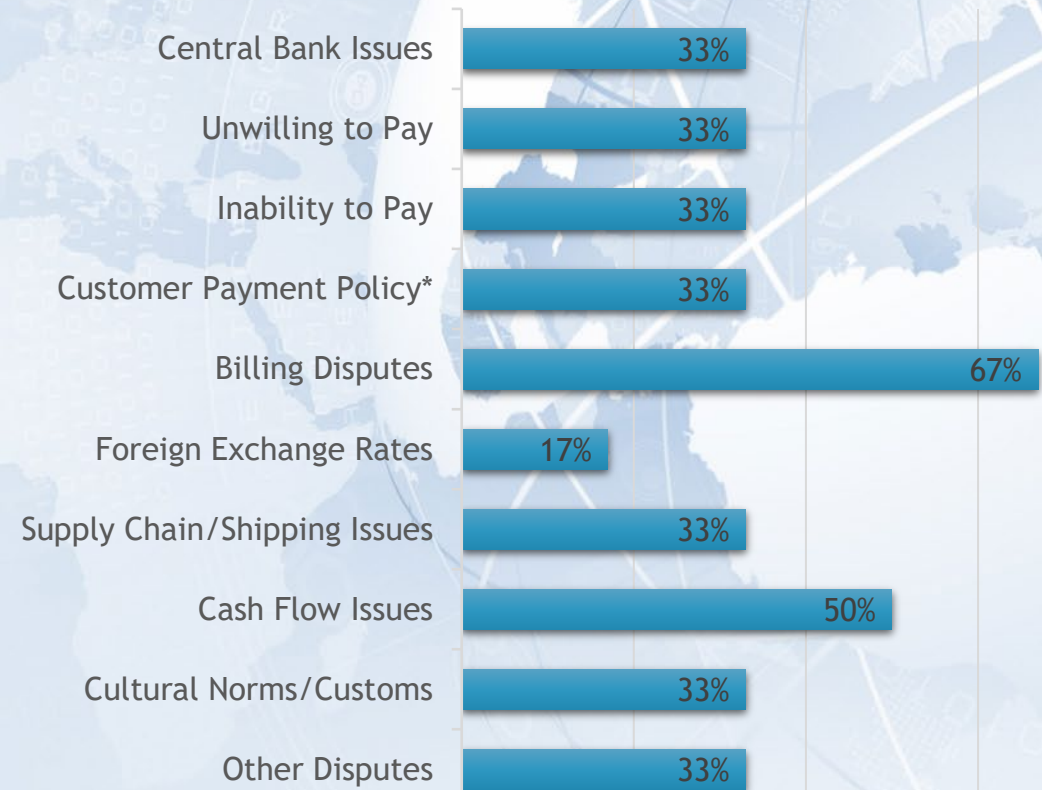


The most common causes of payment delays

Mexico



Poland

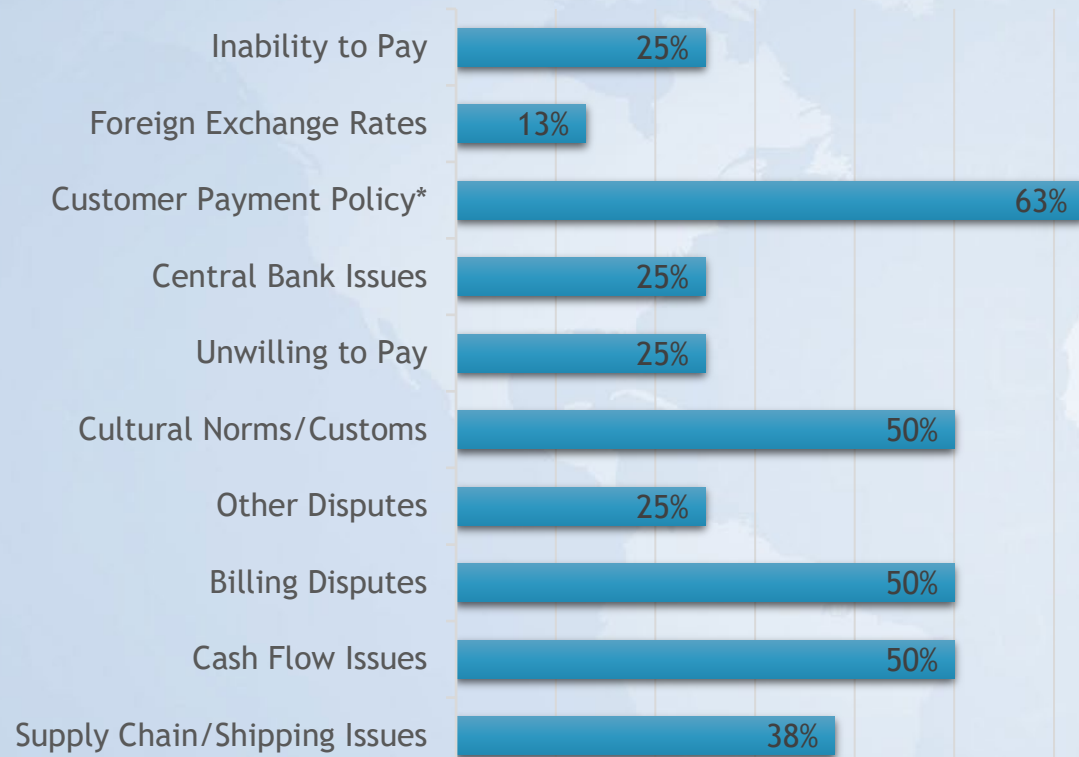


*(i.e. customer only pays on a set day of the month)

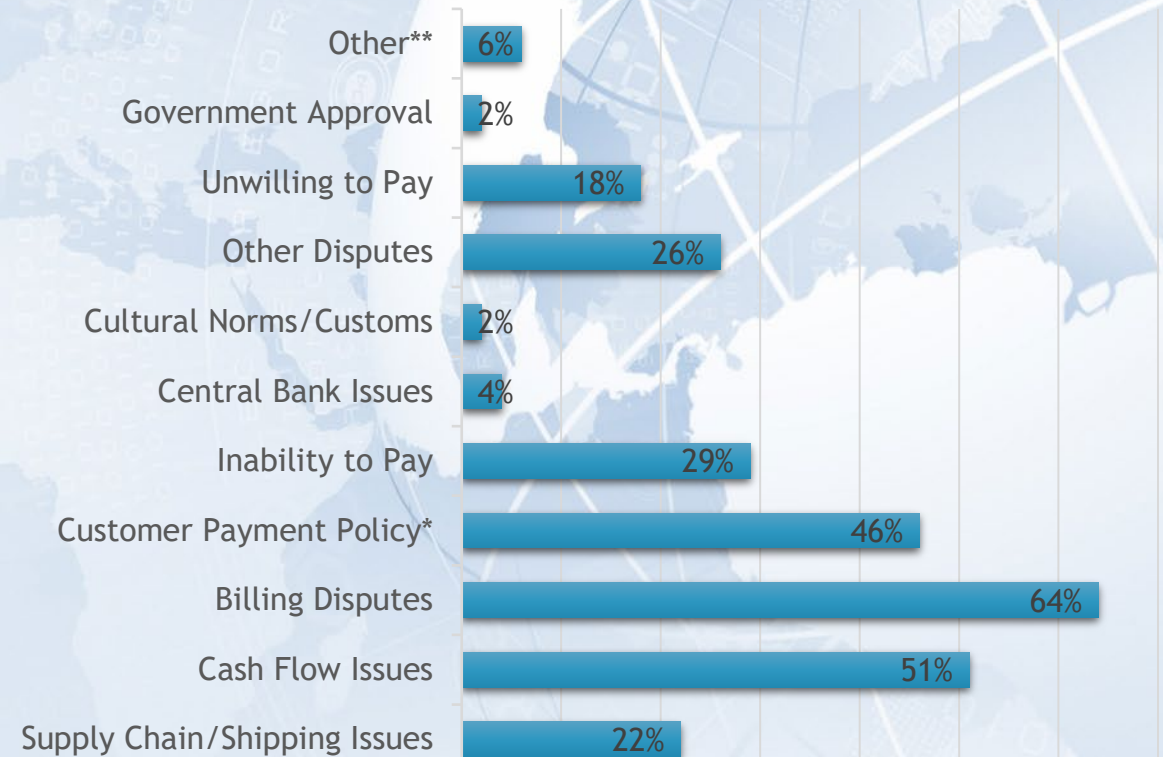
** (i.e. U.S.-Mexico relations)

The most common causes of payment delays

Turkey



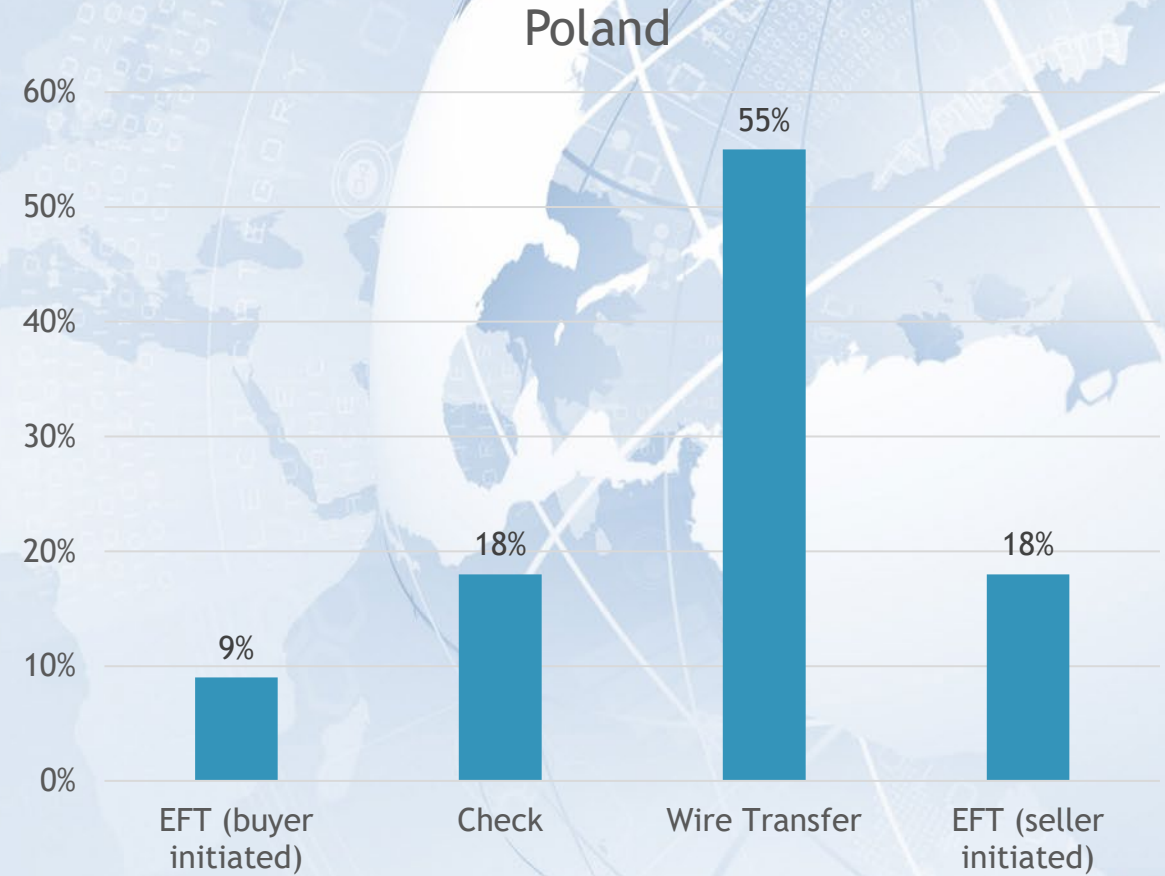
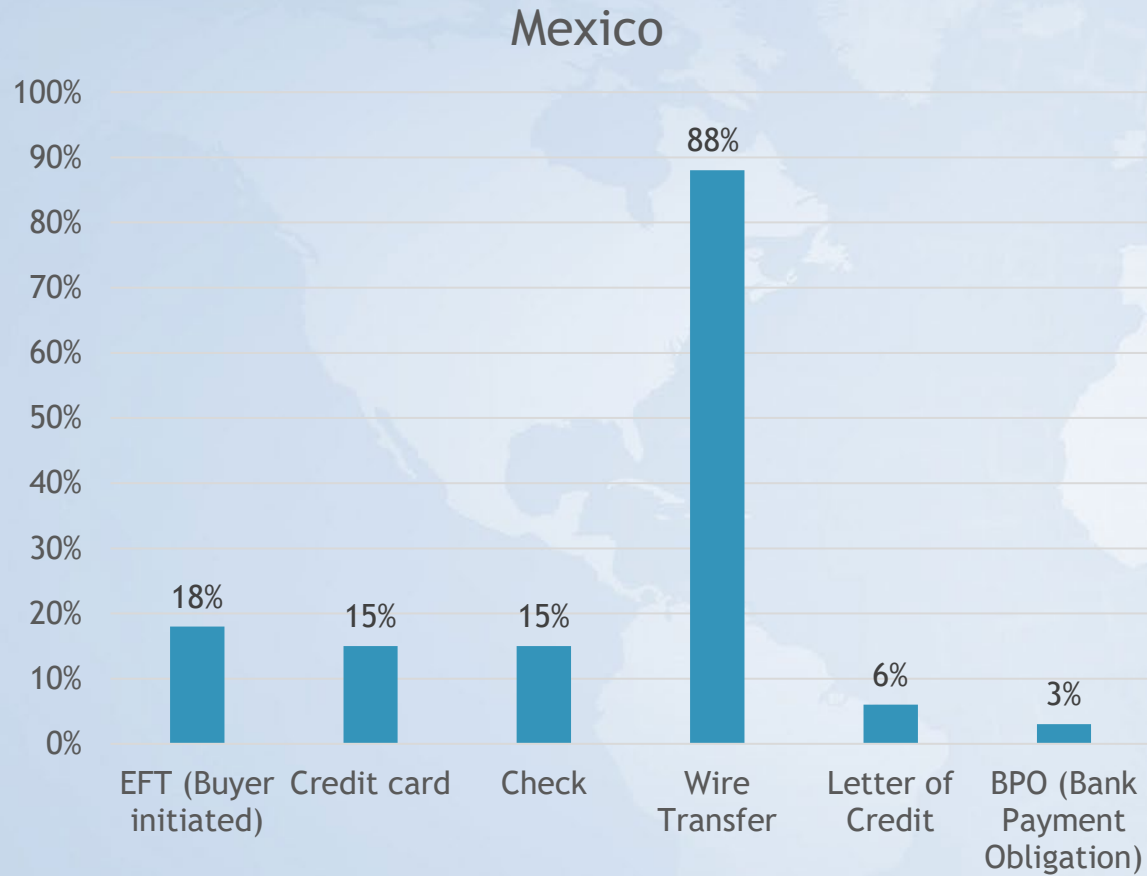
United States



* (i.e. customer only pays on a set day of the month)

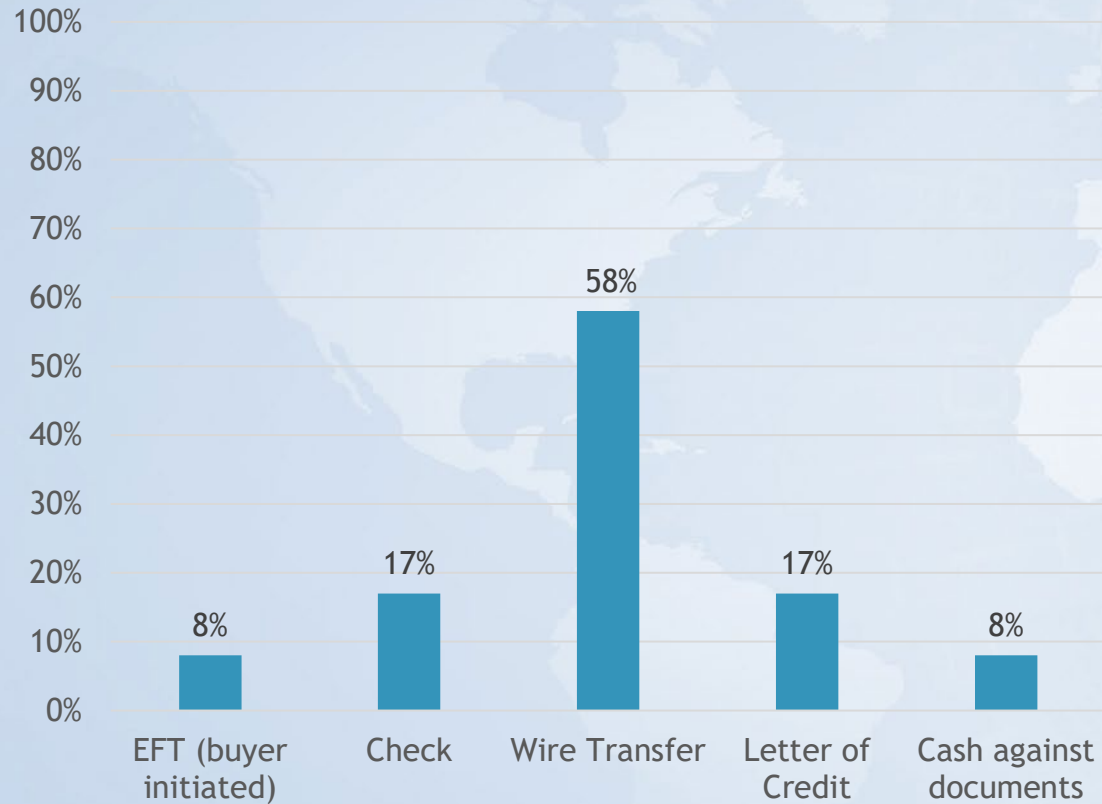
** (i.e. Slow mail service, natural disasters, account terms incorrect in customer system)

Methods used to secure payment

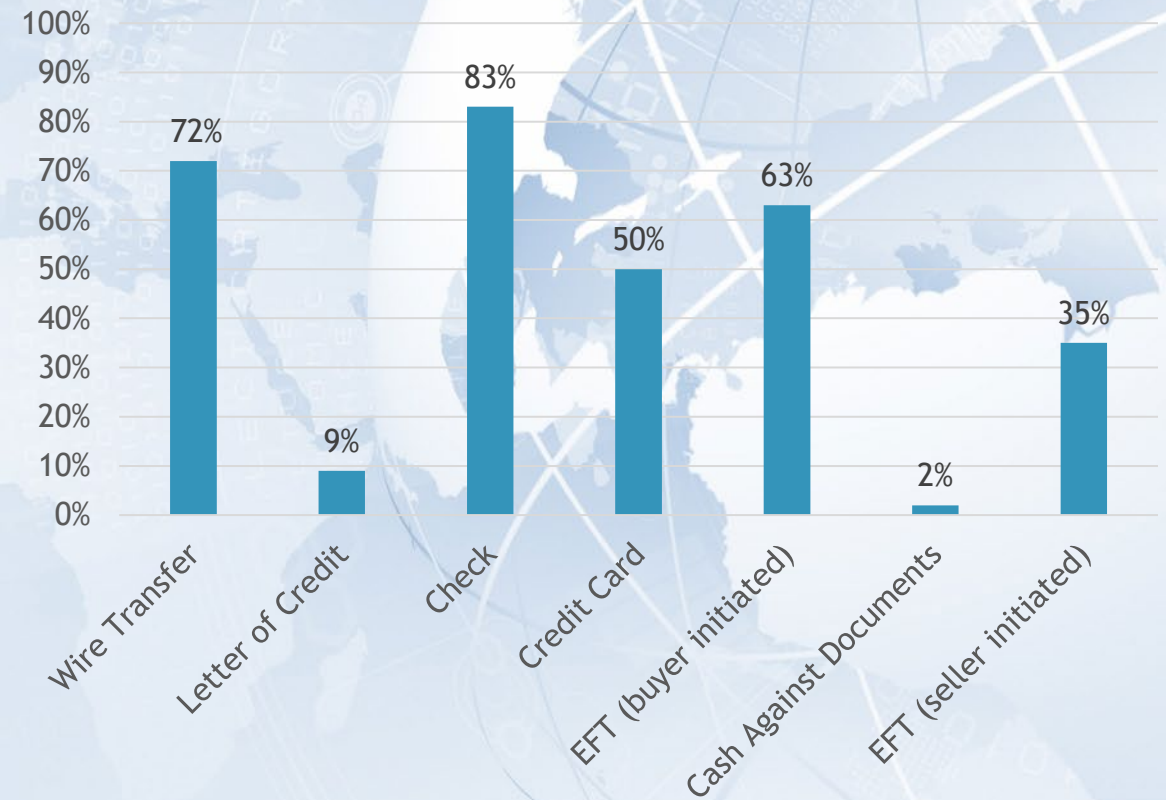


Methods used to secure payment

Turkey



United States



Insights from Credit Professionals

Mexico

- “This was told to me by our Sales Representatives in Mexico, ‘Companies in Mexico do not pay on time and will use any tactic available to avoid payment.’ It is the culture of the country.”
- “I would do CIA or LOC only. Customers are not responsive.”
- “Customers typically do not pay on time. Government involvement can cause delays.”

Turkey

- “Use a confirmed letter of credit only.”

Poland

No country-specific advice submitted.

United States

- “Customers are ready to pay via credit card, check, wire transfer or EFT. Nowadays, customers are asking for higher payment terms like 45 days or 60 days.”
- “Use credit insurance for high-risk net terms customers.”
- “Mom and pop locations are the slowest payers.”
- “Review accounts often. If you aren't using a credit reporting agency, set up Google alerts on your largest customers so you can get notifications of 'big news' items.”
- “Know your rights as a vendor in each state. Stick to your company policies and when you say you are going to do something ... do it. Be a vendor partner not a vendor lender.”

Insights from Credit Professionals

Non-country-specific Advice from the survey.

- Know your real customer, not the Trade/Banner name but the True Legal Entity (5 C's of Credit).
- Start early building a relationship with your customer, and include your salesperson - you'll make a team and teams work together.
- Follow up with the customer's Procurement Dept and Finance Dept as many times as necessary.
- Obtain updated credit information Look for owner and addresses verification, as changes are often not communicated by the customer. Know all you can about the customer. Pull a credit report for payment history and legal status and name verification.
- With continued global inflation, war in Turkey and high interest, you need to know your true legal customer to prevent fraud and keep your A/R secured.
- It is important to know customer's payment process to avoid misunderstandings or delays due to administrative issues.
- Obtain financial statements on your customers and backstop sales with credit insurance.
- Ensure payment language is on the wire payments received.