

BIS

Department for Business
Innovation & Skills

Getting paid on time

Ship To

The real cost of paying late

- Payments between businesses in the UK are typically made 20 or more days beyond agreed terms
- 4000 UK businesses failed in 2008 as a direct consequence of late payment
- Overdue payments in 2009 will cost UK businesses £180 million in debt interest charges
- Late payment persists across all business types and all business sizes



Helping you help yourself

Cashflow keeps business in business and, without proper management and control, a shortage of cash can lead to business failure and insolvency.

You don't order goods without knowing when they're going to be delivered, and you shouldn't supply goods or services unless you know when you're going to be paid.

Too many businesses are failing to help themselves and over half of all UK transactions are not covered by pre-agreed payment terms. Not agreeing terms up front means you have no chance of managing cash flow.

The Institute of Credit Management has created a series of quick reference guides dealing with everything on cash flow, from knowing your customer through to what to do when your customer goes bust.

- Knowing Your Customer
- Payment Terms
- Invoicing
- Treating Suppliers Fairly
- Credit Insurance
- Factoring and Financing
- Chasing Payment
- When Cash Runs Short
- When All Else Fails
- When Your Customer Goes Bust

Find the guides at www.businesslink.gov.uk/creditcrunch in the "Managing your cashflow" section and at www.creditmanagement.org.uk/managingcashflowguide.htm

Getting paid on time

Paying suppliers promptly is critical in helping UK businesses to maintain their cash flow and survive. Tackling the culture of late payment requires real leadership.

The Institute of Credit Management has joined forces with the Confederation of British Industry, Institute of Directors, Federation of Small Businesses, Forum of Private Business, British Chambers of Commerce and Engineering Employment Federation to support a new Prompt Payment Code.

By signing up to the Code, you commit to:

- Pay suppliers within your agreed terms
- Ensure your suppliers know how to invoice you
- Encourage good practice

Sign up to the Code at: www.promptpaymentcode.org.uk

Getting paid on time is supported by

