

EOS Survey 'European Payment Practices' 2017 Digital dunning in Europe: Germany lags behind

Every second company in Europe is convinced that a modernised dunning system further reduces payment delays and defaults // 49 per cent of all companies rate their degree of company-wide digitalisation as high or very high // Only 18 per cent of companies are using digital dunning processes

Hamburg, 18 September 2017 – German companies are falling behind when it comes to digitalising their dunning processes. So far, only three per cent of companies in Germany have completely electronically upgraded their dunning and billing systems. At present, one third of companies doubt that digitalisation has a beneficial effect on payment collection. A misconception, as demonstrated by a look at the rest of Europe, where 18 per cent of companies have already completely digitalised their dunning processes – and are reaping the benefits of a better repayment rate, according to 49 per cent of respondents. These were some of the findings of the representative EOS Survey 'European Payment Practices' 2017, which was conducted this year for the tenth time (by Kantar TNS, formerly TNS Infratest).

The status quo of Europe's modern receivables management

Digital dunning means that companies set up and manage dunning processes to be customer-specific and highly automated, for example using big data analyses. Although for the most part companies continue to use software to support the dunning process, staff are often still intervening in the process themselves. In future, the role of employees will change as a result of digitalised processes. Their daily work routine will consist of control tasks and the processing of specific complex cases, instead of a series of individual activities along the entire process chain.

In Western Europe in particular, companies have already responded to the benefits of digitalisation and have adapted their dunning processes accordingly. Every fifth company here is already exploiting the benefits of a digital dunning system. The trailblazers are Spain (58 per cent), Switzerland (53 per cent) and Hungary (53 per cent).

German companies sceptical about digitalisation

European companies are recognising the signs of the times and are increasingly introducing digital processes into their dunning systems. Their expectations of the benefits range from saving time (43 per cent), improved planning of resources (34 per cent), better customer-specific receivables processing (36 per cent) and more automated processes (36 per cent). With the exception of Germany, where only 33 per cent of companies believe digital processes improve outcomes. Across Europe, on the other hand, every second company is confident that a modernised dunning process further reduces payment delays.



Klaus Engberding, CEO of the EOS Group, conjectures: 'One of the reasons for the scepticism may be that German companies have the lowest rate of payment defaults and so do not see the need to change their collection processes'. But Engberding cautions against continuing to neglect the digitalisation of the dunning system. 'Companies have to open their eyes to the necessity of digitalisation so they do not fall behind and give money away'.

About the EOS survey: 'European Payment Practices'

In the spring of 2017, in partnership with independent market research institute Kantar TNS (formerly TNS Infratest), EOS surveyed 3,200 companies in 16 European nations about the prevailing payment practices in their respective countries. 200 companies in each of the countries Germany, UK, Spain, France, Belgium, Austria, Switzerland, Romania, Czech Republic, Croatia, Hungary, Bulgaria, Slovakia, Poland, Russia and Greece answered questions about their own payment experiences, economic developments in their countries and issues relating to risk and receivables management. Further results from the survey can be found online: <http://www.eos-solutions.com/paymentpractices2017/digitalisation>

The EOS Group

The EOS Group is one of the leading international providers of customised financial services. Its main focus is on receivables management covering three key business segments: fiduciary collection, debt purchase and business process outsourcing. With around 7,000 employees and more than 55 subsidiaries, EOS offers some 20,000 clients in 26 countries around the world financial security with tailored services in the B2C and B2B segments. Being connected to an international network of partner companies, the EOS Group has access to resources in more than 180 countries. Its key target sectors are banking, utilities and telecommunications, along with the public sector, real estate, mail order and e-commerce. For more information please visit: www.eos-solutions.com.

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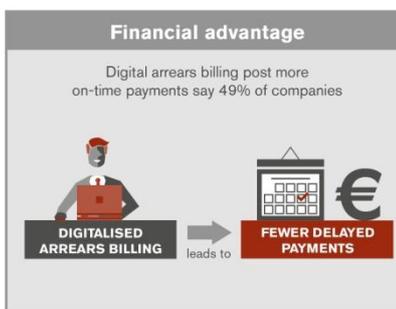
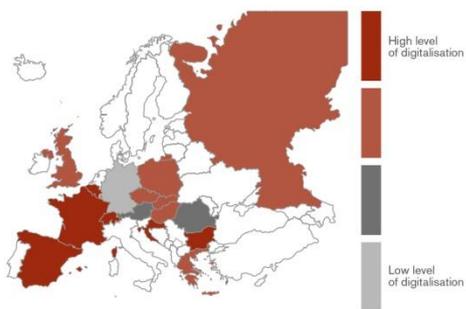
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Missed opportunities: digital arrears billing still for the future



DIGITALISATION IN ARREARS BILLING



Source: EOS Survey 'European Payment Practices' EOS / Kantar TNS 2017