

THE CASH FLOW CATALYST

How forward-thinking CFOs build financial resilience

57% of invoices are paid late, with 33% taking over 90 days. Is delayed cash flow a symptom or a cause of compromised business resilience?

Volatility is the norm. Cash flow control is the advantage.

Economic volatility isn't just a phase. It's the environment where modern business operates, and smart CFOs are building cash flow resilience to thrive within it.

57% of invoices are paid late, and 33% take more than 90 days.

Visa's 24-25 Growth Corporates Working Capital Index suggests that many mid-market companies improved their working capital efficiency toward the end of 2024.

But for CFOs, improvement isn't equating to cash flow predictability.

Modern finance leaders are waking up to a world of mounting economic uncertainty as new hurdles in 2025 have emphasized the need for even greater financial resilience.

Tariffs, administration changes, international conflicts, and natural disasters have created an unpredictable business environment that is highly challenging.

This persistent volatility creates daily anxiety for CFOs and their teams, and the data clearly shows why: 57% of invoices are paid late, and 33% take more than 90 days. These numbers show a systemic drag on growth, borrowing power, and confidence. For CFOs trying to plan amid volatility, late payments aren't a glitch. They're a barrier to strategy.

DEFINITION:

Working capital efficiency

Working capital efficiency is how effectively a company manages its short-term assets and liabilities to optimize cash flow and minimize tied-up capital.

During unpredictable economic conditions, it provides a cash buffer that helps companies survive downturns, maintain operations when customers delay payments, and avoid expensive emergency financing when credit markets tighten.

Federal Reserve data shows that rising costs of goods, services, and wages remain the most common financial challenge, with 75% of firms citing this issue.

Meanwhile, more than half of small businesses report struggles with paying operating expenses (56%) or managing uneven cash flows (51%).

According to Pymnts' Real-Time Payments Tracker® Series Report,

57%	with	33%
of invoices are paid late		taking more than 90 days to settle.

These numbers show a systemic drag on growth, borrowing power, and confidence.

Traditional accounts receivable processes were designed for more stable economic times, and they simply can't scale to meet today's volatility.

Many businesses are still operating with manual invoice processing systems that buckle under pressure when conditions change rapidly.

The lack of real-time visibility into payment statuses means problems are often discovered too late to take preventive action. This creates a dangerous cascade effect: One late payment can trigger the need to tap into credit lines, which increases costs and reduces financial flexibility precisely when you need it most.

Barrett Smith

Chief Payments Officer, Versapay



“We know 30% of businesses still get paid with checks and cash. This increases costs across the spectrum for businesses of all sizes and industries. When you think about thin-margin industries, it’s even more impactful. **Being able to predict your cash flows so you can survive is the most critical thing.**”

Cash flow shouldn't be viewed as a challenge to overcome—it should be a pillar for strategic growth

Successful mid-market companies are mastering cash flow management to turn that very challenge into a competitive advantage. This is where our framework for unlocking hidden working capital becomes essential for forward-thinking CFOs:



Eliminate payment friction — Remove the barriers that slow down your incoming cash and cause unpredictable revenue streams.



Create total cash flow visibility — Gain complete insight into your financial position before problems impact your bottom line.



Build systematic control — Establish automated processes that maintain stability even when market conditions change.

FOCUS AREA ONE

Eliminate payment friction

When businesses remove the barriers to getting paid, they transform trapped cash into strategic opportunity and reduce reliance on costly credit facilities.

PYMNTS' 2024 Accounts Receivable Tracker® Series Report highlights another startling reality: 75% of companies still use paper checks despite their high processing costs and inefficiency.

This reliance on outdated payment methods is inconvenient and financially damaging. The manual processing involved with checks results in slower transactions, increased potential for errors, and longer days sales outstanding (DSO), all of which adversely impact a company's cash flow and financial stability.

All of this directly fuels the 57% late payment rate plaguing the industry.

Eliminating payment friction is more than speed—it's about removing all structural barriers to cash flow.

However, the hidden expenses are what truly undermine working capital predictability:

- Error-prone manual processes obscure cash flow visibility, often forcing companies to access credit revolvers unnecessarily.
- In higher interest environments, these increased borrowing costs compound quickly.
- Lack of payment transparency keeps cash trapped in receivables instead of funding strategic growth.
- Opportunity costs accumulate as finance teams spend time chasing payments rather than on value-added activities.

These cascading costs create a financial drain that most CFOs underestimate until they've addressed the root cause: payment friction.

DEFINITION:

Payment friction

Payment friction refers to any obstacle, delay, or complexity that prevents customers from paying quickly and easily, including manual processes, limited payment options, disconnected systems, and unclear payment terms.

Payment friction directly creates cash flow unpredictability by introducing uncontrollable variables into your collection timeline. When customers encounter barriers like outdated payment methods, system errors, or complex approval workflows, their payment timing becomes erratic. This turns predictable receivables into volatile cash flows that undermine financial planning.

Common failure points within accounts receivable processes that create payment barriers



Complex and outdated ERP configurations



Knowledge gaps when consultants or staff leave



Data disconnects between systems



Inability to accept common digital payment methods

Three tactical approaches to remove payment barriers

Fortunately, the increase in digital payment adoption is helping CFOs transform the payment experience from a source of frustration to a strategic advantage. From accelerated cash flow to reduced processing costs to enhanced data for decision-making, eliminating payment friction delivers on nearly everything a mid-sized company's finance team cares about.

1 Personalize payment discounts by analyzing payment data to identify which customers respond to which incentives. Some customers consistently pay early when offered a 2% discount, while others maintain the same payment cycle regardless of terms.

2 Implement digital payment portals that offer multiple payment options (ACH, credit card, virtual card). This digital transformation not only speeds payment processing but also creates valuable data for analysis. Companies that fully digitize their payment processes typically see DSO improvements of 5-7 days and significant reductions in processing costs.

3 Shift to proactive credit management by implementing early warning systems and predictive analytics. The most effective approach combines payment history data with external economic indicators to create a comprehensive risk profile for each customer. This allows for proactive outreach to at-risk accounts and strategic modification of terms before payment delays occur.

Barrett Smith

Chief Payments Officer, Versapay



“Technology has moved to a degree that you can automate anything. Not everybody has the same need for payment terms—some pay in 15 days with an incentive, others always pay at 45 days, regardless. **You have to dig in with the data and leverage modern technology.** When you digitize, you create more data, which allows you to identify payment risks before they become problems.”

“

“Cash flow shouldn’t be a challenge—it **should be a catalyst**. Companies that master cash flow turn uncertainty into a competitive edge. You work really hard to deliver goods and services, and collecting should be easy. It’s the lowest cost of working capital you can access. That’s why we need to get every inch out of it.”

Carey O’Connor Kolaja
Chief Executive Officer, Versapay



FOCUS AREA TWO

Create total cash visibility

When finance leaders gain full visibility into their cash position, they go from reactive to proactive, predicting issues before any impact on the bottom line.

Companies often believe they have adequate visibility into their cash flow because they maintain internal dashboards and reporting systems.

However, these tools typically show only a partial picture, missing critical external signals that can dramatically impact financial performance.

True visibility comes from collaborative intelligence across your entire financial ecosystem—the networks connecting buyers, suppliers, and payment partners that reveal patterns invisible to isolated internal systems. As finance leaders are discovering, connecting these ecosystem participants creates exponential value, not just incremental improvement.

This network approach to visibility is transforming how mid-sized companies predict and manage their cash flow, enabling them to spot potential disruptions weeks or even months before they would appear in traditional financial reports.

In an era of persistent market volatility, this early warning capability allows finance teams to proactively adjust strategies and maintain stability.

The limitations of traditional cash flow visibility



Most dashboards only show historical data, not predictive insights



Internal systems miss external signals from customers and suppliers



Isolated visibility creates reactive rather than proactive approaches



Without ecosystem connectivity, patterns across customers remain hidden



Finance teams discover problems only after they've impacted cash flow

Moving from reactive to proactive cash flow management requires a fundamentally different approach to financial visibility

Forward-thinking CFOs are building comprehensive visibility frameworks that track current positions and predict future outcomes. This predictive capability transforms the finance function from a reporting center to a strategic advisor:

- **Early warning indicators** alert teams to customer behavior changes before they impact payment timing.
- **Payment pattern analysis** across industries helps identify seasonal trends and economic impacts before they affect your bottom line.

Enhanced visibility also creates a win-win dynamic with customers. Better communication about invoice status, payment expectations, and potential issues improves the customer experience while accelerating your cash flow.

This collaborative approach can reduce payment disputes, speed up payment timelines, and strengthen business relationships. The result is an accounts receivable function that is a competitive advantage rather than a back-office function.



“When you think about suppliers and their buyers, that ecosystem can be really powerful because we can glean insights that they otherwise wouldn’t have if they were outside our ecosystem. It’s not just about building the ecosystem for scale’s sake, it’s about building it for those **nuggets of information that help us add value for our customers.**”

Carey O’Connor Kolaja
Chief Executive Officer, Versapay



“We are working closely with some of our customers to mash the data signals from what they’re seeing on their end and what we’re able to see from the invoice to collections process. As a result, we’re **expressing dashboards and insights that they wouldn’t have access to** if we weren’t working really closely to co-create what they need to make the right decisions.”

Barrett Smith
Chief Payments Officer, Versapay

Building your visibility framework

Ensure your internal systems are fully connected and provide consistent data before attempting to expand visibility. Establish baseline visibility metrics that everyone in the organization understands and can act upon.

Many companies make the mistake of trying to build external visibility on a shaky internal foundation, which only magnifies existing problems and undermines cash flow resilience when market conditions shift.

Create deeper visibility connections with key customers willing to share payment planning data. Focus conversations on mutual benefits like how shared information helps both parties optimize their financial operations and maintain stability during economic uncertainty. Start with pilot programs to demonstrate value before expanding to your full customer base.

Lastly, evaluate industry-specific and cross-industry payment networks that can provide additional layers of visibility. These networks often provide benchmarking data and predictive indicators that are unavailable through direct partnerships alone, giving you the early warning signals essential for maintaining cash flow predictability during volatile periods.

When selecting networks, consider factors like data security, integration capabilities, and relevance to your specific industry challenges. These are critical for building the robust visibility infrastructure that enables confident decision-making regardless of market conditions.

FOCUS AREA THREE

Build systematic control

When finance leaders gain the power to manage cash flow with precision at scale, they transform reactive fire drills into confident decision-making, even during market volatility.

Having visibility into your cash flow is only half the equation.

The critical shift happens when finance leaders gain the power to move from reactive firefighting to confident planning, even during periods of economic uncertainty that typically paralyze businesses.

Many mid-market finance teams find themselves trapped in a cycle of short-term reactions. Despite investing in sophisticated dashboards and reporting tools, they still lack the mechanisms to translate insights into forward-looking action.

Economic volatility only amplifies this challenge, forcing teams into increasingly reactive postures when strategic planning becomes vital.

The difference between companies that merely weather economic uncertainty and those that use it as a competitive advantage comes down to this final pillar: the ability to exercise systematic control over cash flow processes.

This is about empowering your team with the decision-making capabilities and confidence to manage customer relationships precisely and consistently, while maintaining the agility to plan for future scenarios.

DEFINITION:

Systematic Control

Systematic control is the ability to proactively manage cash flow processes through automated systems and clear decision frameworks that enable teams to act with confidence rather than react to problems after they occur.

In volatile economic conditions, systematic control transforms finance teams from firefighters constantly responding to cash flow crises into strategic operators who can anticipate disruptions. This turns uncertainty into a competitive advantage rather than a source of paralysis.

The evolution of cash flow control

From

Manual oversight with reactive adjustments to cash flow disruptions



To

Proactive systems that automatically maintain stability during market shifts

Cash flow management as a **back-office function**



Cash flow intelligence as a **strategic differentiator**

Paralysis during economic uncertainty



Confident decision-making regardless of market conditions

Constant firefighting and **stress**



Peace of mind and focus on strategic initiatives

“So much of cash flow prediction is a guessing game if you don’t have the right information and data. Using our platform as an example, we’re able to identify historical payment patterns in a much more insightful way. I think it’s been a superpower for us. This gets us to our **goal of automating as much as possible** and focusing our accounts receivable team only on the exceptions.”

Carey O’Connor Kolaja

Chief Executive Officer, Versapay



“What we’re trying to do is connect the dots. Being able to **predict your cash flows so you can survive** is the most critical thing. I’ve been really excited to see how our customers use data to make decisions.”

Barrett Smith

Chief Payments Officer, Versapay



4 steps to building control for peace of mind

True control comes from systematically addressing the gaps between visibility and action. Building systematic control requires a strategic approach that transforms your team's expertise into automated intelligence while maintaining the flexibility to adapt as conditions change.

Document and embed decision frameworks by capturing how your best team members resolve exceptions, then building these rules into your systems. Focus first on automating responses to common scenarios like payment pattern changes or approaching due dates.

1

Address resistance through empowerment rather than replacement. The goal is to eliminate tedious tasks so your team can focus on relationship-building and strategic work. Hybrid approaches, where systems flag issues but humans make final decisions, often ease this transition.

3

Eliminate system handoff breakdowns by creating intelligent connections between your ERP, payment processing, and customer communication platforms. This delivers faster ROI than complete system replacements while eliminating error-prone manual transfers.

2

Build scenario-based response systems that automatically adjust based on economic indicators and customer behavior patterns. This resilience allows your operation to flex with changing markets without requiring constant manual intervention, giving you the confidence to plan strategically even during uncertain times.

4

Cash flow predictability hinges on true accounts receivable transformation.

Leave late payments, lengthy disputes, and opaque receivables data behind and build cash flow resilience to weather any economic condition.

Versapay speeds up the invoice-to-cash cycle by making it easy to send invoices, collect payments on any channel, and apply cash to your books accurately.

CASE STUDY | LATICRETE

Financial foresight isn't a stroke of luck

While most mid-sized companies deal with 57% of their invoices being paid late, Laticrete International used Versapay to flip this narrative on its head.

For years, Laticrete International, a provider of high-performance tile and stone installation systems and building finishing solutions, operated in a financial fog. Handling up to 12,000 monthly invoices manually, they couldn't even confirm if customers had received their bills.

Their ERP system autonomously sent PDFs without bounce-back reports, leaving delivery success rates completely unknown. This crippling lack of visibility forced the team into a reactive cycle of reissuing invoices, chasing phantom payments, and inadvertently harassing customers who had already paid but whose payments had been misapplied.

Laticrete was essentially running their financial operations blindfolded while burning through working capital. Their transformation began when they implemented Versapay's fully unified solution for the invoice-to-cash process. The platform gave both Laticrete and their customers unprecedented visibility—**97% of customers quickly adopted the platform** to access invoices, check payment statuses, and communicate directly about transactions.

This instantly removed barriers to getting paid (the first pillar) and gave Laticrete deep visibility into payment schedules (the second pillar.)

Behind the scenes, automated dunning notices replaced manual reminders, while AI-powered tools decoded check payments and matched them to open invoices, eliminating the cash misapplication issues.



CASE STUDY | LATICRETE

Financial foresight isn't a stroke of luck

The impact was immediate and profound: Cash receipts surged by \$6 million year-over-year, reaching a record \$32 million in July 2024; days sales outstanding dropped from 64 to 57 days; and most dramatically, Laticrete reduced their revolving credit line by \$7 million, converting what had been borrowed capital into accessible working capital.

The ease brought about by the previous two pillars helped Laticrete gain stability and control through data-driven processes, unlocking the third pillar of cash flow resilience.





“When a customer says, ‘Oh, I paid that check’, we can say, ‘No, you didn’t. The data is right there, and we know what you paid.’ With Versapay, we can see what was paid with each payment. Leadership went from wondering, ‘Why are there these problems?’ to ‘The AR team has got this covered.’ To me, **Versapay is doing the work of three employees right now.**”

Andrew Ceccorulli

Credit and Collections Manager, Laticrete



Take control today. Conquer uncertainty tomorrow.

Unpredictable cash flow hurts working capital. Resiliency keeps you ahead of rising financial pressures. Join the top finance teams staying in control when market shifts, and turn unpredictable cash flow into your competitive advantage.

Talk to our experts and make cash flow a catalyst for what comes next →