

VERSAPAY

2026

Annual cash flow clarity report

How cash flow
uncertainty is reshaping
CFO decision-making

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Executive summary

CFOs are facing a growing erosion of confidence in their company's cash flow — one that's reshaping critical strategic decisions.

New research from Versapay and Wakefield Research, surveying 400 finance leaders in the U.S. and Canada, reveals that 69% have seen an increase in late customer payments over the past 12 months.

This rising unpredictability is driving a fundamental shift in accounts receivable (AR) management, where risk is being identified earlier in the cash cycle. Traditional AR models are straining under changing customer behaviors, such as extended payment terms and more frequent payment plans, creating uncertainty well before invoices are due.

As a result, 78% of finance leaders report that unexpected AR challenges are now forcing changes to capital investments, hiring plans, and borrowing decisions. What was once a back-office function has become a strategic lever, demanding new tools and approaches to regain cash flow clarity and strengthen financial resilience.

Persistent operational friction magnifies these pressures across the AR lifecycle, from invoicing and customer communication to payment application and dispute resolution. Instead of being isolated inefficiencies, these sudden difficulties manifest major consequences: growth slows, cash flows destabilize, collections costs soar, and payment delays compound.

For many organizations, AR volatility has evolved from a tactical inconvenience into a material business risk.

Against this backdrop, finance leaders are increasingly turning to AR automation as a way to restore control and predictability, and strengthen increasingly-strained customer relationships. 63% of finance leaders report that automation has already reduced payment delays at their organization, and 91% expect days sales outstanding (DSO) to decline by four or more days within the next year, with nearly one-third anticipating reductions of 11 days or more. Automation is no longer viewed solely as an operational improvement: it is becoming essential to improving forecast accuracy, lowering collections costs, and protecting the customer experience.

Looking ahead, CFOs expect AR to become more predictive, AI-driven, and tightly integrated with enterprise resource planning (ERP) systems. With 82% planning to increase investment in AR automation over the next 12 months, organizations clearly believe that today's gains represent only the early stages of what's possible. Those that modernize AR with a focus on visibility, intelligence, and integration will be better positioned to stabilize cash flow, regain strategic clarity, and turn receivables into a source of competitive advantage rather than uncertainty.

Key findings



69%

Report an **increase in late B2B customer payments** over the past 12 months

63%

Believe AR automation has reduced **payment delays**

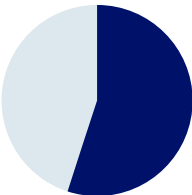
78%

Believe **unexpected AR issues** force adjustments to strategic decisions

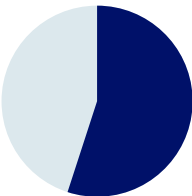
82%

Plan to **increase investment in AR automation** over the next 12 months

Observed increases in customer payment behaviors

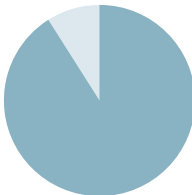


55%
Report increased requests for **longer payment terms**

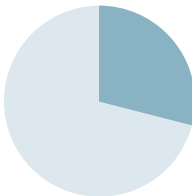


53%
Report more requests for **payment plans**

Expected deduction in DSO from AR automation



91%
of 4+ days



29%
of 11+ days

Cash flow confidence is eroding earlier & more often

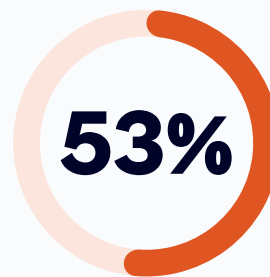
Cash flow uncertainty is no longer occasional or isolated. It is persistent, systemic, and increasingly influential in how organizations set priorities and allocate resources.

For finance leaders, confidence in cash flow has long been rooted in predictability — knowing not just how much revenue is coming in, but when. That confidence is increasingly under pressure. As customer payment behaviors shift and timelines stretch, uncertainty is moving earlier into the accounts receivable cycle, leaving CFOs with less reliable visibility into future cash inflows, making it harder to forecast accurately and plan with confidence.

Payment behavior has changed in the last 12 months



Longer **payment terms** requested



Increased requests for **payment plans**

Extended payment terms and payment plans are becoming more common, altering the assumptions that many finance teams rely on for forecasting. More than half of finance leaders (55%) have seen an increase in requests for longer payment terms, while 53% report customers are more frequently asking for payment plans.

These trends introduce uncertainty much earlier in the receivables cycle, forcing CFOs to reassess cash flow assumptions and adjust operational planning, ensuring liquidity for critical activities including payroll, supplier payments, and capital projects.



78%

The impact is no longer contained within AR operations. Nearly eight in ten finance leaders report that **unexpected AR issues now force adjustments** to strategic decisions such as capital investments, hiring plans, or borrowing.

When cash timing becomes uncertain, flexibility shrinks. Investments are delayed, growth initiatives are re-evaluated, and risk tolerance narrows — all signs that AR volatility is shaping enterprise-level decision making.

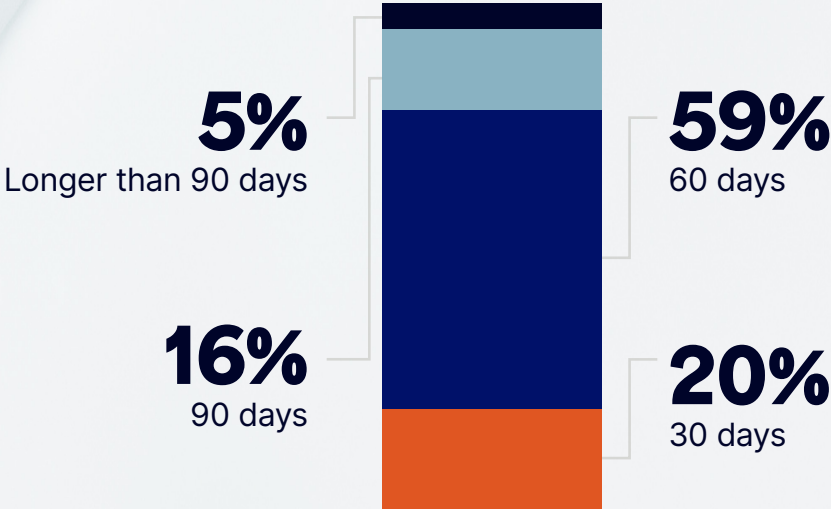
At the same time, the effort required to collect outstanding receivables is rising. For a majority of leaders (81%), collecting open invoices is increasingly challenging, consuming time and attention that could otherwise be spent on higher-value financial planning. Without dependable forecasting, finance teams are left reacting to disruptions instead of proactively managing cash flow.

For CFOs, the challenge isn't simply late payments — it's the growing difficulty of seeing clearly far enough ahead to make confident, strategic decisions.

Delayed payments undermine cash flow forecasts

Once payments extend beyond expected timelines, forecast reliability deteriorates quickly. In fact, 80% of finance leaders report losing confidence in cash flow forecasts when receivables stretch past 30 to 60 days. At that point, planning becomes constrained — working capital flexibility tightens, investment decisions slow, and exposure to further payment delays increases. The longer uncertainty persists, the harder it becomes to regain control.

Most CFOs lose confidence in their team’s ability to forecast cash collection past 60 days



Operational friction is a strategic business risk

Operational friction in AR is not isolated or episodic — it is endemic across the entire receivables process, creating a network of small inefficiencies that collectively produce meaningful business risk.

The cash flow instability finance leaders experience is driven by multiple breakdowns across the AR process, with friction distributed throughout nearly every stage of the receivables lifecycle. Invoicing, customer communication, payment application, and dispute resolution all contribute to delays, creating a compounding effect that increases uncertainty and cost.

More than half of finance teams (55%) cite invoice status tracking and customer communication as major sources of friction. When customers lack clarity on the status of invoices or struggle to get timely answers, collections slow and relationships become harder to manage. What begins as a communication gap turns into delayed payments and strained customer interactions.

Payment application and reconciliation present another significant challenge. A notable 51% of finance leaders report difficulty in this area, where manual processes and fragmented systems increase the likelihood of errors and obscure the true timing of cash receipts. Even when customers pay, delays in applying and reconciling those payments can distort cash visibility and undermine forecast accuracy.

Disputes and invoice errors further extend payment cycles. Nearly half of organizations (47%) view dispute resolution as a significant challenge, adding operational overhead and prolonging time to payment. Meanwhile, 41% report friction in generating and delivering invoices, where delays or inaccuracies at the very start of the process ripple downstream and slow collections altogether.

Taken together, these challenges make one thing clear: operational friction in AR is not isolated or episodic. As delays compound and costs rise, cash flow becomes harder to predict and manage — raising the stakes well beyond day-to-day operations.

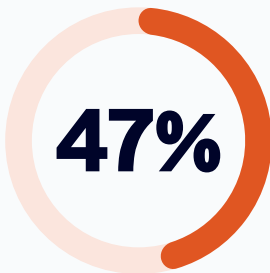
Friction points abound across the AR process



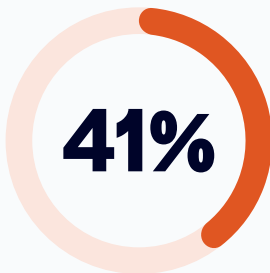
Tracking invoice status and customer communication



Applying payments and reconciling accounts



Resolving disputes or errors

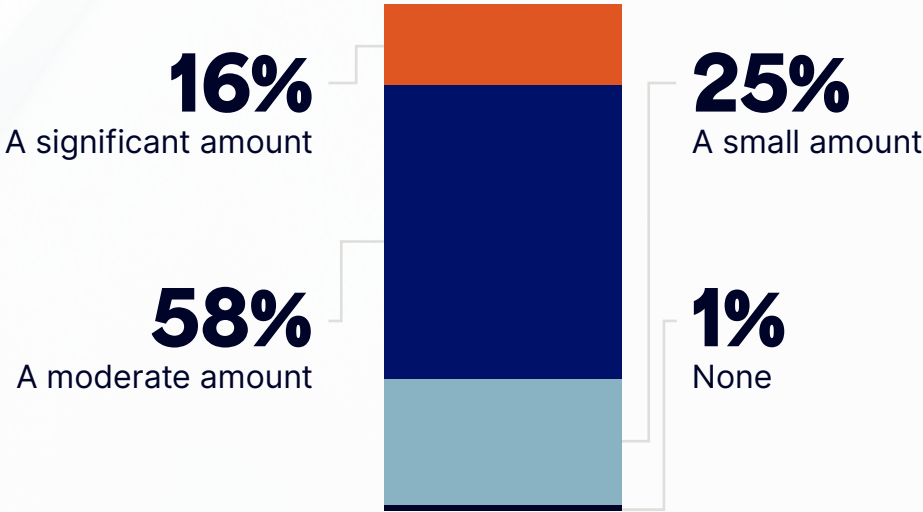


Generating and sending invoices

The human cost of AR friction

Nearly three-quarters of organizations (74%) report that their teams devote a meaningful amount of time each week to chasing late payments. This manual effort not only increases collection costs, but also pulls attention away from forecasting, analysis, and strategic planning, turning operational inefficiency into a persistent drain on both cash flow and organizational capacity.

Teams devote substantial time each week time to chasing down late payments



AR automation is essential to restoring predictability

In an environment where predictability is increasingly elusive, automation provides the structure, consistency, and insight needed to move AR from a reactive function to a stabilizing force.

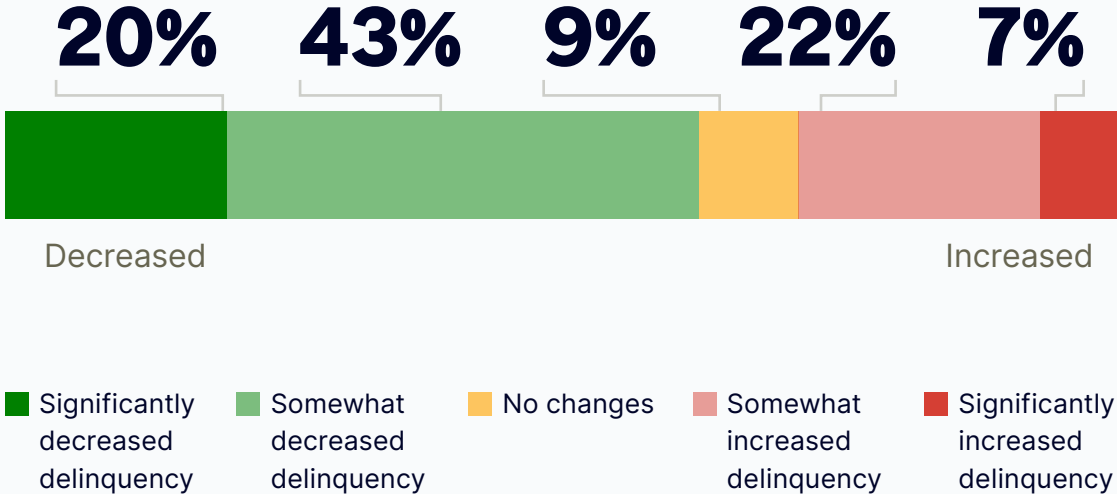
As cash flow uncertainty becomes more persistent and operational friction intensifies, finance leaders are re-evaluating how AR is managed — and what it needs to deliver. Increasingly, automation is emerging not as an incremental efficiency upgrade, but as a foundational requirement for restoring predictability, visibility, and control over their organization's cash flow.

Organizations that have introduced AR automation are already seeing measurable improvements. Nearly two-thirds (63%) report that automation has reduced payment delays, demonstrating its ability to directly influence cash timing.

For a meaningful subset of companies, the impact is even more pronounced, with close to 20% seeing a significant reduction in late payments. This is evidence that automation can materially change payment behavior, not just marginally improve processes.

Expectations for future gains are even higher. Nearly all finance leaders (91%) anticipate AR automation reducing DSO by four or more days within the next year, and nearly one-third (29%) expect reductions of 11 days or more. This spread reflects how extensively finance leaders expect their receivables processes to be automated. For CFOs managing working capital under increasing pressure, these improvements represent tangible progress toward stabilizing cash inflows and rebuilding forecast confidence.

For nearly 2 in 3, AR automation has decreased payment delinquency



Beyond payment timing, automation is also reshaping the economics of collections. More than half of organizations (56%) expect AR automation to deliver \$1 million or more in annual cash or cost benefits, driven by lower cost to collect, fewer manual errors, and faster resolution of issues that stall payments. As teams spend less time on manual follow-ups and reconciliations, they gain the capacity to focus on higher-value activities such as analysis, forecasting, and customer engagement.

56% believe an advanced AR automation solution could benefit their company by \$1 million or more annually.

Importantly, these benefits do not require a complete transformation of every AR process. The data shows that even targeted automation — applied to high-impact areas such as collections, reporting, or cash application — can deliver substantial gains.

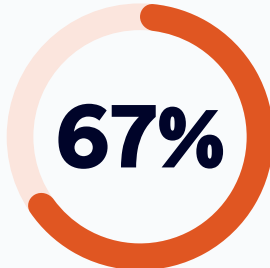
At companies leaning most heavily on automation, options for collections and reconciliation are paying off



Use automated reminders and follow-ups for collections



Use automated payment reconciliation and matching



Have seen a reduction in delinquency

At organizations with mostly or completely automated AR processes, finance leaders identify collections (57%), reporting and forecasting (49%), and cash application (49%) as the areas where automation delivers the greatest return. The majority of these organizations have implemented automated reminders and follow-ups for collection (55%) as well as automated payment reconciliation and matching (53%).

By using AR automation, 67% of these leaders have reduced delinquency.

In fact, at organizations with delinquency rates of 5% or less, 63% have automated payment reconciliation and matching, and 51% use automated reminders and follow-ups for collection, demonstrating that meaningful improvements in cash visibility and cost efficiency are achievable without overhauling the entire receivables function at once.

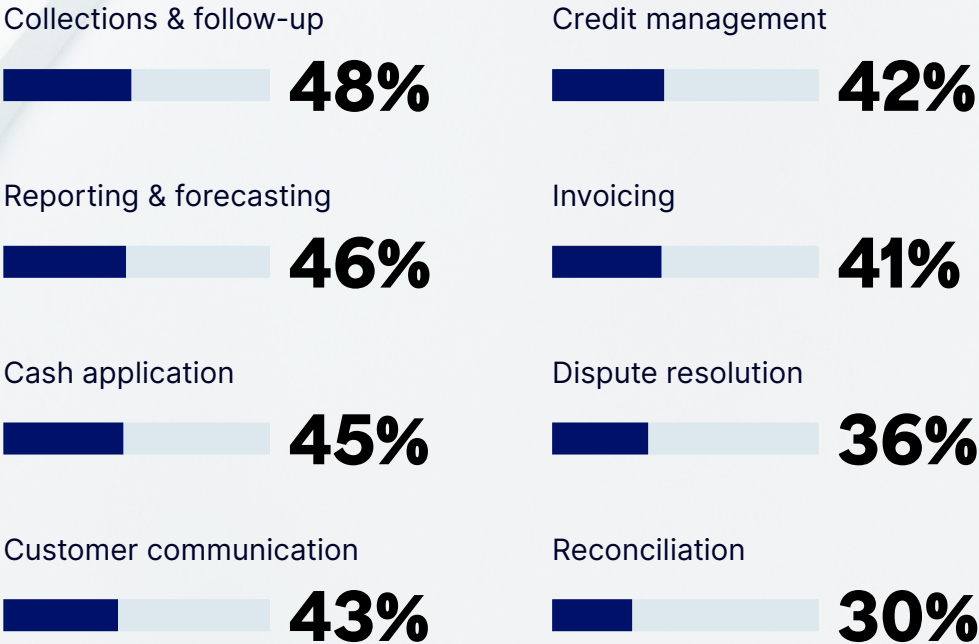
In an environment where predictability is increasingly elusive, AR automation is becoming one of the most effective ways for finance leaders to regain control. It provides the structure, consistency, and insight needed to move AR from a reactive function to a stabilizing force.

SPOTLIGHT

Automation drives ROI across the AR lifecycle

Finance leaders find that automation delivers value across the AR lifecycle, with the most frequently cited returns in collections and follow-up (48%), reporting and forecasting (46%), and cash application (45%). The relatively narrow spread across these functions underscores a critical insight: automation is not solving a single problem — it is improving the system as a whole, enabling more predictable cash flow, fewer manual errors, and greater strategic flexibility.

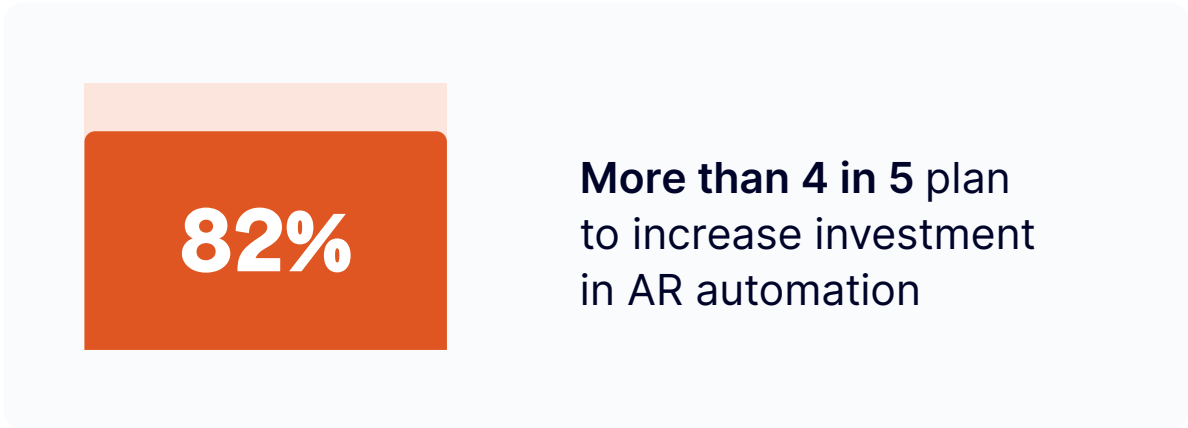
CFOs expect automation to produce ROI across AR, from forecasting to collections, cash application, and communication



The future of AR is predictive, AI-driven, & integrated

AR is no longer a static, back-office function. While early automation delivers measurable gains, the greatest value lies ahead — in predictive, AI-driven, and integrated AR environments.

Early gains from AR automation are driving expectations for much more. While 63% of organizations have already reduced payment delays through automation, finance leaders increasingly view these improvements as only the beginning. In fact, 82% plan to increase investment in AR automation over the next 12 months, signaling that CFOs see today's returns as a foundation — not a finish line — for strengthening cash flow resilience and forecast confidence.



Artificial intelligence is expected to define the next phase of this evolution. Half of finance leaders (50%) anticipate using AI to automate repetitive AR tasks, and nearly as many (47%) anticipate AI-lead improvements in efficiency. Both will allow finance teams to redirect time and attention toward analysis, customer engagement, and higher-value decision support.

But many leaders are looking to leverage AI beyond task automation, with an eye toward reshaping expectations around foresight and predictability. More than a third of finance leaders (37%) expect to adopt predictive analytics within AR, offering opportunities to apply intelligence earlier in the lifecycle to improve collections prioritization, identify payment risk sooner, and produce more reliable cash flow forecasts. Rather than reacting to late payments, finance teams increasingly expect AR systems to surface risks and opportunities before they materialize.

As they consider where to invest their funds, leaders cite improving cash visibility (49%) and customer experience (42%), reducing DSO (37%), and lowering collections costs (36%) among the top benefits that would lead their organization to justify additional investment in AR automation.

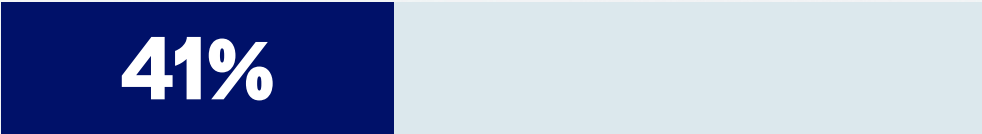
To fully realize these capabilities, however, integration remains both a priority and a constraint. Nearly half of finance leaders (47%) cite ERP integration complexity as a top barrier, underscoring how fragmented systems and siloed data can limit the impact of even advanced automation. As AI and predictive insights become more central to AR's role, the ability to unify data across systems becomes essential — without it, automation improvements risk plateauing short of their potential.

Taken together, these trends point to a clear shift. Continued investment reflects an understanding that the greatest value lies ahead — in predictive, AI-driven, and integrated AR environments that help finance leaders navigate volatility with greater confidence and control.

CFOs leverage AI as a strategic partner

AI is no longer an emerging tool — 41% of finance leaders expect to use it to support strategic decision making. By leveraging AI to anticipate challenges and guide decisions, CFOs are moving from reactive execution to proactive financial leadership. Organizations integrating AI throughout AR are not just automating processes — they are turning receivables into a strategic advantage, enabling faster, more confident choices around investment, borrowing, and resource allocation.

2 in 5 CFOs expect to utilize AI to support strategic decision-making



Regain control of your cash flow

Late payments are not an occasional issue — they are becoming the norm. Nearly seven in 10 finance leaders (69%) report an increase in late B2B customer payments over the past year, fundamentally reshaping how CFOs assess cash flow risk and forecast reliability. What was once manageable volatility has become a persistent condition, forcing finance leaders to operate with less certainty and less room for error.

The consequences are already visible. Operational friction, shifting customer behaviors, and mounting payment delays are pushing AR risk earlier in the cash cycle, with 78% of finance leaders reporting that unexpected AR issues now force changes to strategic decisions. When cash timing becomes unreliable, the impact ripples outward — constraining working capital, delaying investment, and undermining long-term planning.

AR automation is emerging as a critical lever for regaining control, but the path forward is not incremental or passive. Predictive analytics, AI, and deeper system integration offer powerful capabilities, yet realizing their value requires deliberate investment, careful integration, and thoughtful change management. For CFOs, the opportunity is not simply to automate existing processes to drive incremental improvements; there is opportunity to redefine AR as a source of foresight, resilience, and strategic advantage.

Finance leaders who act now — modernizing AR to improve visibility, reduce friction, and anticipate risk earlier — will be better positioned to stabilize cash inflows, strengthen forecast confidence, and navigate uncertainty with greater control. In an environment defined by volatility, the ability to see clearly and act decisively is no longer optional. It is a competitive necessity.

Versapay stops payment delays from threatening cash flow

Versapay's AR platform helps finance teams unlock working capital trapped in late payments by automating and simplifying their processes, from invoicing to reconciliation.

Our unified suite of solutions — including digital invoicing, supplier and customer portals, cash application, and collections management — helps teams overcome the payment delays and invoice-to-cash inefficiencies that increase risk and stunt growth.

Solve manual, administrative bottlenecks, tighten forecasts, improve decisions, lower borrowing costs, and reposition the finance organization as a strategic leader.

Through digitization, AI, collaboration, and deep ERP integrations, Versapay turns complex, burdensome accounts receivable issues into actionable solutions, empowering you with fuller financial control and consistent cash flow.

Achieve sustained predictability and greater cash flow confidence.

[Schedule a product demo today](#)

Methodological notes

The Versapay AR Automation Survey was conducted by Wakefield Research among 400 financial executives, with a minimum seniority of director, in the U.S. and Canada, reporting into the office of the CFO, at companies with annual revenue between \$100M and \$1BUSD, between November 21st and December 3rd, 2025, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.9 percentage points in the total sample, 5.3 percentage points in the U.S., and 12.7 percentage points in Canada from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.



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